



P.O. Box 397, Stratford, Ontario N5A 6T5

187 Erie Street, Stratford  
Telephone: 519-271-4700  
Toll-Free: 1-866-444-9370  
Fax: 519-271-7204  
www.festivalhydro.com

January 9, 2012

**BY RESS & COURIER**

Ms. Kirsten Walli, Board Secretary  
Ontario Energy Board  
2300 Yonge Street, 26<sup>th</sup> Floor, P.O. Box 2319  
TORONTO, ON M4P 1E4

**Re: EB-2011-0167  
Festival Hydro Inc. Reply Submission  
2012 IRM3 Distribution Rate Application**

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Dear Ms. Walli:

Please find accompanying this letter two copies of Festival Hydro's Reply Submission to Board Staff and VECC submissions due January 9, 2012.

A copy of this package has been electronically filed through the Ontario Energy Board's RESS system and emailed to the Board Secretary.

Should you require any further information or clarification of any of the above, please do not hesitate to contact me.

Respectfully submitted,  
*Original Signed by*

W.G. Zehr, President

cc Intervenors of Record

1           **IN THE MATTER OF** the Ontario Energy Board Act, 1998, S.O.  
2           1998, c. 15, (Schedule B);

3  
4           **AND IN THE MATTER OF** an Application by Festival Hydro Inc. to  
5           the Ontario Energy Board for an Order approving just and  
6           reasonable rates and other charges for electricity distribution to be  
7           effective May 1, 2012.

8  
9                           **FESTIVAL HYDRO INC.**

10  
11                           **2012 IRM3 DISTRIBUTION RATE APPLICATION**

12  
13                           **REPLY SUBMISSION**

14  
15                           **FILED JANUARY 9, 2012**

16  
17   **A.     INTRODUCTION**

18  
19           Festival Hydro Inc. ("Festival Hydro") owns and operates the electricity distribution  
20           system located in the City of Stratford and the Towns of St. Marys, Hensall, Dashwood,  
21           Zurich, Brussels and Seaforth.

22  
23           This is the reply submission of Festival Hydro in regard to its 2012 IRM3 Application for  
24           an order approving just and reasonable rates for the distribution of electricity effective  
25           May 1, 2012 (Application). Festival Hydro's submission is filed in reply to submissions  
26           filed by Ontario Energy Board Staff ("Board Staff") December 19, 2011 and Vulnerable  
27           Energy Consumers Coalition (VECC) December 20, 2011.

28  
29           Festival Hydro filed the Application on October 4, 2011 under section 78 of the Ontario  
30           Energy Board Act, 1998. Festival Hydro submitted its responses to interrogatories from  
31           Board Staff and VECC on December 5, 2011.  
32

1 **B. REPLY SUBMISSION**

2  
3 **RETAIL TRANSMISSION SERVICE RATES ("RTSR")**

4  
5 Board Staff had no concerns with the data supporting the updated Retail Transmission  
6 Service Rates proposed by Festival and noted that the Board will update the applicable  
7 data at the time of this Decision with any available updated Uniform Transmission Rates  
8 pursuant to Guideline G-2008-0001.

9  
10 Festival agrees with the Board Staff Submission.

11  
12 **TAX SHARING MODEL**

13  
14 Board staff had no concerns with the Tax-Savings Work form as filed.

15  
16 Festival agrees with the Board Staff Submission.

17  
18 **DEFERRAL AND VARIANCE ACCOUNTS**

19  
20 Board staff has no issue with Festival's request to not dispose of its 2010 Deferral and  
21 Variance Account balances at this time.

22  
23 Festival agrees with the Board Staff Submission. As noted in Festival's response to  
24 Board staff interrogatories dated December 5, 2011, it is Festival Hydro's intent to have  
25 system modifications in place to be able to apply the global adjustment rate rider solely  
26 on non-RPP customers at the time of its 2013 Rate Application, with an effective date of  
27 May 1, 2013.

28

1       **REVENUE TO COSTS RATIOS**

2  
3       Board staff submits that the re-filed revenue-to-cost ratio adjustments are in accordance  
4       with the Board's findings in its EB-2009-0263 Decision and therefore Board staff has no  
5       issues with Festival's proposal for this class or any other class.

6  
7       VECC submits that the revenue to cost ratio adjustments are in accordance with the EB-  
8       2009-0263 Decision; and the Revenue to Cost Ratio Work form has been completed  
9       appropriately.

10  
11       Festival agrees with the Board staff and VECC Submissions.

12  
13  
14       **ACCOUNT 1521 – SPECIAL PURPOSE CHARGE**

15  
16       Board staff supports Festival's request to dispose of the updated balance in this account  
17       of a debit of \$7,215, which represents the principal and projected interest outstanding as  
18       at April 30, 2012. (debit balances are recoverable from customers).

19  
20       Festival agrees with the Board Staff Submission.

21  
22       **LOST REVENUE ADJUSTMENT MECHANISM CLAIM**

23  
24       Festival applied for LRAM recovery of \$ 191,653 in its original 2012 IRM Submission  
25       dated October 4, 2011. In Festival's Response to the interrogatories dated December 5,  
26       2011, Festival revised the amount of the LRAM claim to \$187,644 based on the final  
27       OPA 2010 CDM Program Results Evaluation Report received November 15, 2011. In  
28       Festival's Reply Submission, Festival has amended the requested LRAM recovery  
29       amount to \$350,020 as a result of the updating of information. The amended amount is  
30       supported by the consultant's report which incorporates the most recent information from  
31       the Ontario Power Authority ("**OPA**"). Below is a table which shows the LRAM claim  
32       breakdown by rate class for the three submissions. Also attached to this Reply

submission is a copy of the update LRAM schedules based on the new OPA assumptions.

Rate Class	Application LRAM Claim	Interrogatory LRAM Claim	Reply Submission LRAM Claim
OPA Residential	\$88,114	\$ 88,807	\$148,211
OPA 3 <sup>rd</sup> Tranche	21,038	21,038	30,372
G.S. < 50 kW	65,923	65,971	127,190
G.S. > 50 kW	15,748	10,652	41,896
Large Use	830	1,176	2,351
<b>Total 2012 LRAM claim</b>	<b><u>\$191,653</u></b>	<b><u>\$187,644</u></b>	<b><u>\$350,020.</u></b>

Festival's LRAM Reply submission has been divided into three distinctive components. These components are:

- Claims related to 2005-2008 persistent results into 2010 to 2013
- Claims related to 2009 persistent results into 2010 to 2013
- Claims related to 2010 program results and 2010 persistent results into 2011 to 2013

Prior to the specific comments regarding each program, Festival would note the purpose of LRAM is to encourage distributors to engage in CDM activities by providing them with the assurance that its revenue requirement will not be detrimentally impacted as a result of reducing demand and load. Of course, distributors should not be permitted to double recover as that would be contrary to regulatory principles. As such, where the CDM activities have been incorporated into a reduced forecast the LRAM should not include recovery. If the forecast does not include the CDM activities then the LRAM is entirely appropriate. Failing to permit recovery through the LRAM will discourage participation in CDM activities.

Festival's 2012 LRAM claim is based on the premise of persistency as accepted by the Board in earlier decisions. These decisions include Festival's previous LRAM claim (Decision on EB-2010-0083 dated April 21, 2011) and other LDC LRAM claims such as Burlington's EB-2010-0067 dated March 17, 2011, Middlesex Power Distribution EB-

2010-0098 dated March 17, 2011, and Norfolk Power Distribution LRAM claim EB-2011-0046 dated May 6, 2011, as examples.

Claims related to 2005 to 2008 Persistent Results into 2010 to 2013

In order to understand the extent of the LRAM that should be approved for recovery, it is necessary to review the extent such CDM activities were incorporated into the load forecast approved during the last cost of service rate application. In response to Board Staff Interrogatories in this proceeding, dated December 5, 2011, Festival confirmed it used a multiple regression approach based on historical input factors to forecast future load in the 2010 Cost of Service rate application (EB-2009-0263, the “**COS Application**”). This approach produced a 2010 weather normalized load forecast of 576.87 GWh. Festival at that time rationalized the negative coefficient arising on the population variable as a result of factors such as CDM programs deployed and permanent industrial load loss. However, Festival did not provide any quantitative analysis to support the extent that CDM had been incorporated into the forecast. Neither Intervenor nor Board Staff requested specific CDM details during the COS Application.

	<b>Forecast<sup>1</sup></b>
Festival Hydro Original	576.87
Board staff # 30(e) - IESO based	567.94
Energy Probe	627.14
Board staff # 30 (d)2008 NAC Value	600.29
VECC Submission 3.8 (mid-point)	600.00

Because of the negative coefficient derived in the regression analysis, the Board did not accept the load forecast presented by Festival. Instead, the Board took into consideration other load forecasts provided by Board staff and intervenors, as listed in the table above. There is no indication in the record that the other forecasts included any CDM activities.

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<sup>1</sup> Forecast from EB-2010-0083, Festival Hydro’s Reply Submission, dated February 10, 2010

1 In the final decision in the COS Application, the Board determined that a load forecast of  
2 600 kWh, a forecast that was approximately 5% greater than Festival proposed, which  
3 represented a mid-point of the numerous forecasts put forth, was reasonable. The  
4 Board, in its decision, did not indicate the extent of CDM activities that were incorporated  
5 into the forecast of 600kWh. As such Festival and other participants have been left to  
6 infer what was included based upon the knowledge that was available at the time of the  
7 cost of service application.

8  
9 As stated in the Board Staff Reply Submission, *“While the Board noted that Festival*  
10 *required improvement in the area of CDM forecasting going forward, the Decision in*  
11 *Festival’s 2010 Cost of Service application did not provide any further guidance to*  
12 *Festival nor did it establish expectations that deviated from the Board policy, with respect*  
13 *specifically to CDM savings in 2010”*. As such, only CDM activities that could reasonably  
14 be assumed to be included in the forecasts that were included in the 2010 COS  
15 Application could have been incorporated by the Board into the 600GWh forecast.

16  
17 Because Festival used a regression analysis based upon actual historical load  
18 information, prior period CDM activities would have been necessarily included in such  
19 loads. As such, the 576.87 GWh Festival forecast would reasonably be expected to  
20 include historic CDM activities but such forecast would not reflect 100% of the  
21 persistence of such programs going into the future. Festival’s forecast turned out to be  
22 very close to the actual kWh load sold in 2010 totaling 572.3 GWh. Festival would note  
23 that the actual load results of 572.3 GWh for 2010 supports Festival’s position that the  
24 600 GWh Board assigned load forecast could only have incorporated a relatively small  
25 impact of the persistence arising from the 2005 to 2008 CDM programs.

26  
27 In VECC’s Reply submission points # 3.19 and 3.20, VECC states *“First, VECC notes*  
28 *that the load forecast model utilized by Festival Hydro in its 2010 COS Application used*  
29 *11 years of historical data for the period 1998 to 2008. As a result, VECC submits that*  
30 *the impact of 2006 to 2008 CDM programs is already in the forecast. Second, VECC*  
31 *submits that although Festival Hydro did not include a specific variable to reflect CDM*  
32 *savings on a forecast basis, persisting impacts related to CDM are included in the*

1        *forecast. The regression model would capture not only historical savings but carry*  
2        *forward into future years' trends in the historical data regarding increased CDM savings*  
3        *overtime that would be implicit in the 2010 forecast'.*  
4

5        Festival would concur with VECC on these statements as it relates to Festival's original  
6        forecast of 576.87 GWh. However, the issue at hand relates to the fact that the Board-  
7        assigned a load forecast of 600 GWh which was more than 23 GWh higher than  
8        Festival's forecast. While Festival acknowledges that it may be argued there is some  
9        impact of 2005 to 2008 CDM programs and their persistence has been taken into  
10       account in deriving the 600 GWh forecast, Festival believes this amount to be limited.  
11       Given Festival's CDM target for future CDM savings over four years is 7.3 GWh per year  
12       (2011-2014 CDM term), which includes programs other than the 2005 to 2008 programs,  
13       Festival Hydro submits that only a very small amount of CDM could be incorporated into  
14       the 600 GWh forecast.

15  
16       Per the Attachment A Load Impacts spreadsheet, the GWh impact of previous program  
17       years (2005 to 2008) on 2010 based on the LRAM model totals 5.6 GWh. This  
18       represents about 24% of the 23.1 GWh difference between the Festival Hydro load  
19       forecast (576.87 GWh) and the load forecast assigned by the Board (600 GWh). As  
20       such, Festival Hydro submits that a 24% reduction is appropriate to reflect the amount of  
21       CDM that could be included in the forecast.

22  
23       In regard to persistence of benefits that continue into future years, the Board in its Reply  
24       Submission states that "*Board staff recognizes that in the past LRAM applications may*  
25       *have been approved for persistence of programs after a new load forecast has been*  
26       *approved in a cost of service application, and the Board may want to consider the issue*  
27       *of consistency in its decision.*"

28  
29       Festival Hydro deserves equitable treatment in terms of being allowed a portion of the  
30       2005 to 2008 persistence as a part of the 2012 LRAM claim. As stated in Festival  
31       Hydro's 2011 IRM Decision and Order dated April 1, 2011, "*The Board continues to*  
32       *endorse the principle of LRAM, which is that distributors are to be kept whole for revenue*



1 *that they have foregone as a direct consequence of implementing CDM programs.”*

2 Festival Hydro’s application is completely consistent with that principle.

3  
4 Therefore, Festival Hydro request the Board approves \$128,190, which represents 76%  
5 of the persistent 2005 to 2008 results as part of the 2012 LRAM claim. This is based on  
6 the fact, as noted above, that 24% of the difference between Festival Hydro’s load  
7 forecast and the Board-assigned forecast can be accounted for due to CDM persistent  
8 results in 2010 related to 2005 to 2008 CDM program years.

9

76% of the 2005 to 2008 Persistent results	\$128,190. (76% of \$168,671)
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10  
11 Festival Hydro disagrees that rate certainty precludes recovery as was suggested by  
12 Board Staff in the following submission: *“While a true up of all un-forecasted CDM*  
13 *activities would be consistent with the revenue neutrality principle of the LRAM concept,*  
14 *it is Board staff’s view that the overriding regulatory principle at play here is rate*  
15 *certainty. Final rates means no retroactive adjustments related to the period in which*  
16 *rates were declared final. This is a key regulatory principle which the Board has, with*  
17 *few exceptions, always withheld. To the extent that actual savings were not reflected in*  
18 *the final approved forecast should be, in the Board staff’s view, absorbed by the*  
19 *applicant.”*

20  
21 Festival Hydro submits that the Board established the LRAM mechanism precisely as a  
22 retroactive adjustment related to a period in which rates were declared final for the  
23 specific purpose of keeping LDCs revenue neutral with respect to CDM initiatives that  
24 were not part of the load forecast.

25  
26 Claims related to 2009 results into 2010 to 2013

27  
28 Festival Hydro did not include the impact of the 2009 and 2010 programs in its original  
29 forecast (576.87 kWh forecast) nor could it have been factored into the 600 GWh load  
30 forecast assigned by the Board to any great extent as the discussion regarding the 2005  
31 to 2008 is applicable for the 2009 results.

Festival concurs with VECC's interpretation in 3.21 with regards to CDM results being incorporated into the original Festival Hydro 2010 load forecast by virtue of 2006 – 2008 actual loads forming the basis for the forecast. However, since the load forecast did not incorporate a separate variable or coefficient for CDM, it is Festival's position that provisions for persistence of 2009 program results were not incorporated at that time, and the persistence for 2009 into 2010 to 2013 should be reflected in the 2012 LRAM claim. Festival's next scheduled Cost of Service application is scheduled for 2014 so the 2012 LRAM claim should allow for the persistence for 2010 through to 2013.

An amount of \$127,650 is being submitted for this part of the claim.

2009 Persistent results into 2010,2011,2012,2013	\$127,650.
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Claims related to 2010 program results and 2010 persistent results into 2011 to 2013

In addition, inclusion of 2010 program results and persistence of 2010 program results into 2011, 2012 and 2013 should be considered as part of the LRAM claim. This is consistent with the recent Board staff submission, dated November 30, 2011 decision re Niagara-on-the-Lake's 2012 IRM3 submission:

*As stated in the Filing Requirements, NOTL was directed to file for recovery of all lost revenue amounts flowing from historical CDM activities in its 2012 rate application. Board staff submits that NOTL appropriately included the effect of its 2010 programs, and 2011 persisting amounts from 2010 programs in its LRAM claim as if it had not, these amounts would not be recovered and the distributor would not have been kept revenue neutral for CDM activities implemented. Board staff also notes that NOTL's next scheduled cost of service application is for the 2013 rate year. Because of this, Board staff further submits that the same rationale should apply for persistence of 2010 legacy programs in 2012. Board staff notes that it would be helpful if NOTL provide in its reply submission the lost revenues for 2012 it expects to realize from 2010 CDM activities.*

*To summarize, Board staff supports the recovery of the updated LRAM amount for lost revenues from 2010 programs, and their persisting effect in 2011 and 2012 to keep NOTL revenue neutral until its next rebasing period.*

Based on the Board's Staff submission dated November 30, 2011 for Niagara-on-the-Lake's 2012 IRM submission, Festival Hydro submits the following should be included in Festival's 2012 LRAM claim related to the 2010 program results and the 2010 persistent results into 2010 to 2013:

2010 Program Results	\$ 27,146.
2010 Persistent results into 2010,2011,2012,2013	\$ 67,034.

The following table summarizes the 2012 LRAM claim being submitted by Festival Hydro. Festival requests that the Board approve a final 2012 LRAM claim of \$350,020, with recovery through an LRAM rate rider to be collected over a two year period.

76% of the 2005 to 2008 Persistent Results	\$128,190. (76% of \$168,671)
2009 Persistent results into 2010,2011,2012,2013	\$ 127,650.
2010 Program Results	\$ 27,146.
2010 Persistent results into 2010,2011,2012,2013	\$ 67,034.
<b>Total 2012 LRAM claim</b>	<b><u>\$350,020.</u></b>

Festival Hydro would note that on January 5, 2012 the Board published "Guidelines for Electricity Distributor Conservation and Demand Management (EB-2012-0003)" (the "CDM Guideline"). The governing principle in these situations was to ensure distributors were kept whole and was reiterated in the CDM Guideline by the Board in section 13.1 which stated: "the Board found it necessary to introduce an advanced set of LRAM principles to keep distributors whole for the 2011-2014 CDM term." Festival agrees and submits that its request for \$350,020 is entirely consistent with such an approach. With respect to section 13.2 of the CDM Guideline, as noted above, Festival Hydro's COS Application did include historical CDM activity but the Board did not accept that forecast.

The forecast which was set by the Board in the 2010 COS Application did not expressly indicate the level of CDM activity that was incorporated into the forecast. As such, Festival Hydro has reduced the CDM recovery related to 2005 to 2008 to reflect a reasonable inclusion of CDM activity consistent with principles enunciated by the Board. Festival Hydro submits to the Board for approval the table below of proposed LRAM rate riders to be collected over a 2 year period:

**2012 IRM LRAM & SSM Totals - By Rate Class**

**Determination of LRAM Rate Rider**

*(to be recovered over a 2 year period)*

	LRAM Amount	2010 Cost kWh Allocators	2010 Cost kW Allocators	LRAM Rate rider over 2 years	kWh/kW
Residential					
Residential - Hensall	173,493	141,132,375		0.0006	kWh
GS < 50 kW	5,089.62	4,143,109		0.0006	kWh
GS >50 kW to 4,999 kW	127,190.00	67,469,308		0.0009	kWh
Large Use	41,896.00	316,941,804	797,792	0.0263	kW
USL	2,351.00	65,544,852	128,687	0.0091	kW
Sentinel Lights	-	629,732		-	kWh
Street Lighting	-	234,690	679	-	kW
Totals	-	3,904,130	11,255	-	kWh
	350,020	600,000,000	938,413		

**Monthly Impact on Typical Customer**

Rate Class	Volumetric Sales	Monthly Bill Impact
Residential	800 kWh	0.49
Residential- Hensall	800 kWh	0.49
GS < 50 kW	2,000 kWh	1.89
GS >50 kW to 4,999 kW	500 kW	13.13
Large Use	5,000 kW	45.67
USL	-	-
Sentinel Lights	-	-
Street Lighting	-	-

**CURRENT LRAM RATE RIDER – EFFECTIVE UNTIL APRIL 30, 2012**

Board staff supports the continuation of the existing LRAM/SSM rate riders for the 2012 and 2013 rate years for all rate classes (to April 30, 2014). Board staff is of the view that the disposition period in question, and the resulting effective date which appears on

1 Festival's current Tariff of Rates and Charges, was a result of an administrative oversight  
2 in setting 2011 rates and should now be corrected.

3  
4 Festival agrees with the Board Staff submission. Thank you for taking this into  
5 consideration.

6  
7 **SMART METER FUNDING ADDER ("SMFA")**

8  
9 Board staff submits:

- 10 • Festival Hydro's interpretation is wrong and that the Board's decision in Festival  
11 Hydro's 2011 IRM application established that the SMFA would end on April 30,  
12 2012.
- 13 • The onus rests with Festival Hydro to demonstrate that circumstances have  
14 changed from last year, and are unique from that of other distributors, so that a  
15 continuation of the SMFA would be justifiable.
- 16 • They accept, for the most part, Festival Hydro's evidence included in IR #4 and  
17 the reasoning to support its proposal for a final prudence review that given its  
18 TOU extension it has remaining costs to incur for meter deployment and it does  
19 not have 90% of total smart meter costs audited.
- 20 • The Board may wish to consider continuance of the SMFA with a specific sunset  
21 date. Board staff is of the view that establishing a sunset date of October 31,  
22 2012 would be reasonable.
- 23 • Such an application should be filed by no later than May 31, 2012 to allow  
24 sufficient time for the application to be processed in time for a November 1, 2012  
25 implementation.

26  
27 Festival agrees with the Board staff submission to continue the SMFA with a specific  
28 sunset date of October 31, 2012 and that an application for disposition be filed by  
29 Festival Hydro no later than May 31, 2012 for November 1, 2012 implementation.

30 Festival Hydro submits that although our existing rate adder of \$1.52 is less than the  
31 SMFA recommended in the smart meter model submitted with Festival's IR's, Festival

1 proposes that the \$1.52 be maintained to keep rates as consistent as possible and to  
2 remain until such time as Festival's disposition application has received a decision.

3  
4 **PAYMENTS IN LIEU OF TAXES – PILS 1562**

5  
6 Board staff submits that other than the following adjustments noted by Board staff below  
7 with respect to the use of income tax rates, and any resulting changes to carrying  
8 charges, Board staff submits that Festival has followed the regulatory guidance and the  
9 Board's decisions in determining the amounts recorded in Account 1562.

10  
11 With respect to the Income Tax Rates, Board staff submits that Festival Hydro should  
12 update its evidence to include the income tax rate of 40.62% and grossed-up tax rate of  
13 39.50% in its 2001 Q4 SIMPIL model and re-file the adjusted 2001 Q4 SIMPIL model,  
14 PILs continuity schedule and EDDVAR continuity schedule.

15  
16 Festival agrees with the Board staff submission with respect to following the regulatory  
17 guidance and the Board's decisions in determining the amounts recorded in Account  
18 1562. Festival has updated and is re-filing its evidence, as part of this reply submission,  
19 to include the income tax rate of 40.62% and grossed-up tax rate of 39.50% in its 2001  
20 Q4 SIMPIL model, PILs continuity schedule and EDDVAR continuity schedule. Festival  
21 agrees with the Board staff estimated increase of \$43,783 on the final account 1562  
22 principal debit balance. Carrying charges have been updated accordingly.

23  
24 Below is an updated version of the of the PILs continuity schedule reflecting the above  
25 noted income tax rate changes. The table that follows below provides the changes in  
26 the principal and interest balances at April 30, 2006 as a result of the 2001 income tax  
27 rate changes. Festival Hydro submits the Board approve the Account # 1562 PILS  
28 revised principal and projected interest balance at April 30, 2012 of \$271,992.

1

PILs TAXES - EB-2011-0167								
Analysis of PILs Tax Account 1562:								
Utility Name: Festival Hydro Inc								
Reporting period: 2005								
Sign Convention: + for increase; - for decrease							Version 2009.1	
							0	
Year start:		01/10/2001	01/01/2002	01/01/2003	01/01/2004	01/01/2005	01/01/2006	
Year end:		31/12/2001	31/12/2002	31/12/2003	31/12/2004	31/12/2005	30/04/2006	Total
Opening balance:	=	0	370,962	469,455	483,806	505,013	406,072	0
Board-approved PILs tax proxy from Decisions (1)	+/-	370,962	1,226,571	1,597,533	1,319,312	306,643	417,610	5,238,631
PILs proxy from April 1, 2005 - input 9/12 of amount						939,623		939,623
True-up Variance Adjustment Q4, 2001 (2)	+/-		14,356					14,356
True-up Variance Adjustment (3)	+/-			-9,294	14,183	-4,896	-48,753	-48,760
Deferral Account Variance Adjustment Q4, 2001 (4)			323					323
Deferral Account Variance Adjustment (5)	+/-				-55,404	-115,031	-11,111	-181,546
Adjustments to reported prior years' variances (6)	+/-							0
Carrying charges (7)	+/-	0	39,539	29,637	27,194	23,249	6,699	126,316
PILs billed to (collected from) customers (8)	-	0	-1,182,296	-1,603,524	-1,284,077	-1,248,528	-518,172	-5,836,597
Ending balance: # 1562		370,962	469,455	483,806	505,013	406,072	252,345	252,345

2  
3

	2005 Continuity filed with Interrogatories dated Dec 5, 2011	2005 Continuity filed with Reply Submission dated Jan 9, 2012	Change	Apr 30, 2006 Ending Balance
<b>April 30, 2006 Closing Balance in 2001 Q4 SIMPIL Model, filed December 5, 2011</b>				196,387
<b>Change due to tax rate of 40.62% and gross up 39.5%</b>				
<b>2001 True Up Variance</b>	10,889	14,356	3,467	
<b>2001 Deferral Acct Variance adj</b>	(39,993)	323	40,316	
	(29,104)	14,679	43,783	43,783
<b>Carrying Charges</b>				
<b>2002</b>	37,947	39,539	1,592	
<b>2003</b>	26,454	29,637	3,183	
<b>2004</b>	24,011	27,194	3,183	
<b>2005</b>	20,074	23,249	3,175	
<b>2006</b>	5,655	6,699	1,044	
	114,143	126,318	12,175	12,175
<b>April 30, 2006 Closing Balance in 2001 Q4 SIMPIL Model, filed January 9, 2012</b>				252,345
<b>Interest for the period April 30, 2006 to April 30, 2012</b>				19,647
<b>Total Acct # 1562 PIL Claim as at April 30, 2012</b>				271,992

All of which is respectfully submitted this 9<sup>th</sup> day of January 2012.

**W.G. Zehr**  
**President, Festival Hydro Inc.**



## OPA Programs

### Third Tranche

<b>Load Impact of 2006 to 2008 on 2010 load forecast</b>		
<i>(referenced on page 8 of Festival's Reply Submission)</i>		
Load Impact of 2006 to 2008 on 2010 load forecast	kWh	kW
	5,122,444	1,306
Conversion of 1,306 kW savings to kWh based on		
kW to kWh used in 2010 Rate application	519,047	
Total impact on 2010 for 2005 to 2008 persistence	<u>5,641,491</u>	

ATTACHMENT B  
Foregone Revenue by Class and Program

		2009				2010				2011				2012				2013					
Class	Program	Year Implemented	kWh or kW	Rate per Unit	Load Unit	kWh or kW	Rate per Unit	Revenue	Load Unit	kWh or kW	Rate per Unit	Revenue	Load Unit	kWh or kW	Rate per Unit	Revenue	Load Unit	kWh or kW	Rate per Unit	Revenue	Total Revenue		
OPA Programs																							
Residential																							
Secondary Fridge Retirement Pilot	General Hensall	2006	kWh	0.0156	19,716	kWh	0.0163	\$309.17	19,716	kWh	0.0164	\$314.94	0	kWh	0.0164	\$0.00	0	kWh	0.0164	\$0.00	\$624.11	0.976	
				0.0097	473		0.012	\$5.32	473		0.0134	\$6.12	0		0.0134	\$0.00	0		0.0134	\$0.00	\$11.44	0.024	
Cool & Hot Savings Rebate	General Hensall	2006 - 2007	kWh	0.0156	124,962	kWh	0.0163	\$1,959.54	124,962	kWh	0.0164	\$1,996.13	121,345	kWh	0.0164	\$1,942.30	118,433	kWh	0.0164	\$1,942.30	\$7,840.28		
				0.0097	2,999		0.012	\$33.69	2,999		0.0134	\$38.79	2,912		0.0134	\$39.02	2,912		0.0134	\$39.02	\$150.53		
Every Kilowatt Counts	General Hensall	2006-2007	kWh	0.0156	614,559	kWh	0.0163	\$9,636.94	614,559	kWh	0.0164	\$9,816.89	599,133	kWh	0.0164	\$9,589.96	584,753	kWh	0.0164	\$9,589.96	\$38,633.74		
				0.0097	14,749		0.012	\$165.69	14,749		0.0134	\$190.76	14,379		0.0134	\$192.68	14,379		0.0134	\$192.68	\$741.81		
Great Refrigerator Roundup	General Hensall	2007-2010	kWh	0.0156	775,577	kWh	0.0163	\$12,224.60	775,577	kWh	0.0164	\$12,443.77	775,577	kWh	0.0164	\$12,414.23	775,577	kWh	0.0164	\$11,496.10	\$48,578.70		
				0.0097	18,710		0.012	\$210.17	18,696		0.0134	\$241.80	18,614		0.0134	\$249.43	17,237		0.0134	\$230.98	\$932.38		
peaksaver*	General Hensall	2007	kWh	0.0156	3,114	kWh	0.0163	\$48.83	3,114	kWh	0.0164	\$49.75	3,114	kWh	0.0164	\$49.85	3,114	kWh	0.0164	\$49.85	\$198.28		
				0.0097	75		0.012	\$0.84	75		0.0134	\$0.97	75		0.0134	\$1.00	75		0.0134	\$1.00	\$3.81		
Summer Savings	General Hensall	2007	kWh	0.0156	25,314	kWh	0.0163	\$396.96	25,314	kWh	0.0164	\$404.37	25,314	kWh	0.0164	\$405.19	25,314	kWh	0.0164	\$405.19	\$1,611.71		
				0.0097	608		0.012	\$6.82	608		0.0134	\$7.86	608		0.0134	\$8.14	608		0.0134	\$8.14	\$30.96		
Social Housing – Pilot	General Hensall	2008-2010	kWh	0.0156	41,565	kWh	0.0163	\$651.79	41,565	kWh	0.0164	\$663.96	41,565	kWh	0.0164	\$665.31	41,565	kWh	0.0164	\$665.31	\$2,646.36		
				0.0097	998		0.012	\$11.21	998		0.0134	\$12.90	998		0.0134	\$13.37	998		0.0134	\$13.37	\$50.84		
Cool Savings Rebate Program	General Hensall	2008-2010	kWh	0.0156	325,513	kWh	0.0163	\$5,104.40	325,513	kWh	0.0164	\$5,199.71	325,513	kWh	0.0164	\$5,204.52	325,513	kWh	0.0164	\$5,196.22	\$20,704.85		
				0.0097	7,812		0.012	\$87.76	7,812		0.0134	\$101.04	7,804		0.0134	\$104.57	7,791		0.0134	\$104.40	\$397.77		
Every Kilowatt Counts Power Savings Event	General Hensall	2008-2010	kWh	0.0156	645,557	kWh	0.0163	\$10,123.02	645,557	kWh	0.0164	\$10,183.64	645,557	kWh	0.0164	\$9,181.74	645,557	kWh	0.0164	\$9,163.74	\$38,652.13		
				0.0097	15,493		0.012	\$174.04	15,300		0.0134	\$197.89	15,300		0.0134	\$184.48	13,740		0.0134	\$184.12	\$740.52		
Summer Sweepstakes	General Hensall	2008	kWh	0.0156	132,108	kWh	0.0163	\$2,071.60	132,108	kWh	0.0164	\$2,110.28	132,108	kWh	0.0164	\$2,114.58	132,108	kWh	0.0164	\$2,114.58	\$8,411.04		
				0.0097	3,171		0.012	\$35.62	3,171		0.0134	\$41.01	3,171		0.0134	\$42.49	3,171		0.0134	\$42.49	\$161.59		
Renewable Energy Standard Offer	General Hensall	2008- 2009	kWh	0.0156	11,274	kWh	0.0163	\$176.79	11,274	kWh	0.0164	\$180.09	11,274	kWh	0.0164	\$180.46	11,274	kWh	0.0164	\$180.46	\$717.80		
				0.0097	271		0.012	\$3.04	271		0.0134	\$3.50	271		0.0134	\$3.63	271		0.0134	\$3.63	\$13.79		
Multifamily Energy EfficiencyRebates	General Hensall	2010	kWh	0.0156	36,075	kWh	0.0163	\$565.70	36,075	kWh	0.0164	\$576.26	36,075	kWh	0.0164	\$577.44	36,075	kWh	0.0164	\$577.44	\$2,296.84		
				0.0097	866		0.012	\$9.73	866		0.0134	\$11.20	866		0.0134	\$11.60	866		0.0134	\$11.60	\$44.13		
GENERAL SERVICE Less Than 50kW																							
High Performance New Construction	General Hensall	2008-2010	kWh	0.0140	210,443	kWh	0.0145	\$3,016.35	210,443	kWh	0.0145	\$3,051.43	210,443	kWh	0.0145	\$3,051.43	210,443	kWh	0.0145	\$3,051.43	\$12,170.63	0.007554061	\$91.94
				0.0140	1,676,650		0.0145	\$24,031.98	1,676,650		0.0145	\$24,311.42	1,676,650		0.0145	\$24,311.42	1,676,650		0.0145	\$24,311.42	\$96,966.24		
Electricity Retrofit Incentive Program	General Hensall	2007-2010	kWh	0.0140	343,643	kWh	0.0145	\$4,925.55	343,643	kWh	0.0145	\$4,982.82	343,643	kWh	0.0145	\$4,851.82	334,608	kWh	0.0145	\$4,851.82	\$19,612.00	0.074787337	\$1,466.73
				0.0140	343,643		0.0145	\$4,925.55	343,643		0.0145	\$4,982.82	343,643		0.0145	\$4,851.82	334,608		0.0145	\$4,851.82	\$19,612.00		
General Service>50kW to 4.999kW																							
Demand Response 2	General Hensall	2009-2010	kW	2.1694	656.56	kW	2.2579	\$1,482.44	656.56	kW	2.2665	\$0.00	0	kW	2.2665	\$0.00	0	kW	2.2665	\$0.00	\$1,482.44		
				2.1694	1,388.70		2.2579	\$3,135.55	1,388.70		2.2665	\$0.00	0		2.2665	\$0.00	0		2.2665	\$0.00	\$3,135.55		
Demand Response 3	General Hensall	2008-2010	kW	2.1694	381.25	kW	2.2579	\$10,194.90	381.25	kW	2.2665	\$10,356.09	381.25	kW	2.2665	\$9,855.04	362.34	kW	2.2665	\$9,855.04	\$40,261.08		
				2.1694	161.16		2.2579	\$363.88	161.16		2.2665	\$0.00	0		2.2665	\$0.00	0		2.2665	\$0.00	\$363.88		
Electricity Retrofit Incentive Program	General Hensall	2006-2010	kW	0.9832	49.53	kW	0.9922	\$588.00	49.53	kW	0.9881	\$588.15	49.53	kW	0.9881	\$587.34	49.53	kW	0.9881	\$587.34	\$2,350.83		
				0.9832	49.53		0.9922	\$588.00	49.53		0.9881	\$588.15	49.53		0.9881	\$587.34	49.53		0.9881	\$587.34	\$2,350.83		
Large Use																							
Electricity Retrofit Incentive Program	General Hensall	2006-2010	kW	0.9832	49.53	kW	0.9922	\$588.00	49.53	kW	0.9881	\$588.15	49.53	kW	0.9881	\$587.34	49.53	kW	0.9881	\$587.34	\$2,350.83		
				0.9832	49.53		0.9922	\$588.00	49.53		0.9881	\$588.15	49.53		0.9881	\$587.34	49.53		0.9881	\$587.34	\$2,350.83		
Total																							\$347,441,664
Third Tranche																							
RESIDENTIAL																							
LED Seasonal Lighting	General Hensall	2005	kWh	0	kWh	0.0163	\$0.00	0	kWh	0.0164	\$0.00	0	kWh	0.0164	\$0.00	0	kWh	0.0164	\$0.00	\$0.00			
				0.0097		0	0.012	\$0.00		0	0.0134	\$0.00		0	0.0134	\$0.00		0	0.0134	\$0.00	\$0.00		
CFL Bulbs	General Hensall	2006	kWh	0.0156	106	kWh	0.0163	\$1.66	106	kWh	0.0164	\$0.00	0	kWh	0.0164	\$0.00	0	kWh	0.0164	\$0.00	\$1.66		
				0.0097	3		0.012	\$0.03	3		0.0134	\$0.00	0		0.0134	\$0.00	0		0.0134	\$0.00	\$0.03		
	General Hensall	2005	kWh	0.0156	146,075	kWh	0.0163	\$2,290.61	146,075	kWh	0.0164	\$2,333.38	146,075	kWh	0.0164	\$2,338.13	146,075	kWh	0.0164	\$2,338.13	\$6,962.12		
				0.0097	3,506		0.012	\$39.38	3,506		0.0134	\$45.34	3,506		0.0134	\$46.98	3,506		0.0134	\$46.98	\$131.70		
	General Hensall	2006	kWh	0.0156	29,849	kWh	0.0163	\$468.06	29,849	kWh	0.0164	\$476.80	29,849	kWh	0.0164	\$477.77	29,849	kWh	0.0164	\$477.77	\$1,900.39		
				0.0097	716		0.012	\$8.05	716		0.0134	\$9.27	716		0.0134	\$9.60	716		0.0134	\$9.60	\$36.51		
	General Hensall	2007	kWh	0.0156	476,661	kWh	0.0163	\$7,474.55	476,661	kWh	0.0164	\$7,614.11	476,661	kWh	0.0164	\$7,629.62	476,661	kWh	0.0164	\$7,629.62	\$30,347.90		
				0.0097	11,440		0.012	\$128.51	11,440		0.0134	\$147.96	11,440		0.0134	\$153.29	11,440		0.0134	\$153.29	\$583.05		
Total																							\$390,501.44
Total																							\$390,501.44

**ATTACHMENT C**

**LRAM Totals**

**OPA Programs**

Years that Lost Revenues took place				Total	2006-2008 persistent results into 2010, 2011, 2012, 2013	2009 persistent results into 2010, 2011, 2012, 2013	2010 program results	2009 persistent results into 2010, 2011, 2012, 2013
2010	2011	2012	2013					
Program Year								
2006	\$ 3,687.99	\$ 3,765.12	\$ 3,453.31	\$ 3,453.31	\$ 14,359.73	\$ 14,359.73		
2007	\$ 11,840.39	\$ 12,074.97	\$ 11,140.91	\$ 11,140.91	\$ 46,197.18	\$ 46,197.18		
2008	\$ 17,270.08	\$ 17,614.14	\$ 16,636.94	\$ 16,629.99	\$ 68,151.15	\$ 68,151.15		
2009	\$ 31,807.53	\$ 32,273.94	\$ 32,256.91	\$ 31,311.43	\$ 127,649.81	\$ 127,649.81		
2010	\$ 27,145.92	\$ 22,355.34	\$ 22,344.97	\$ 22,333.98	\$ 94,180.21		\$ 27,145.92	
								\$ 67,034.29
<b>\$ 91,751.91 \$ 88,083.51 \$ 85,833.04 \$ 84,869.62</b>				<b>\$ 350,538.08</b>	<b>\$ 128,708.06</b>	<b>\$ 127,649.81</b>	<b>\$ 27,145.92</b>	<b>\$ 67,034.29</b>

Years that Lost Revenues took place				Total				
2010	2011	2012	2013					
Program Year								
2005	\$ 2,329.99	\$ 2,378.72	\$ 2,385.11	\$ -	\$ 7,093.82	\$ 7,093.82		
2006	\$ 477.80	\$ 486.06	\$ 487.37	\$ 487.37	\$ 1,938.60	\$ 1,938.60		
2007	\$ 7,603.05	\$ 7,762.07	\$ 7,782.91	\$ 7,782.91	\$ 30,930.94	\$ 30,930.94		
<b>\$ 10,410.84 \$ 10,626.85 \$ 10,655.39 \$ 8,270.28</b>				<b>\$ 39,963.36</b>	<b>\$ 39,963.36</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Totals					<b>\$ 102,162.75</b>	<b>\$ 98,710.36</b>	<b>\$ 96,488.43</b>	<b>\$ 93,139.90</b>
					<b>\$ 390,501.44</b>	<b>\$ 168,671.42</b>	<b>\$ 127,649.81</b>	<b>\$ 27,145.92</b>
					76%			
LRAM Claim					<b>\$ 128,190.28</b>	<b>\$ 127,649.81</b>	<b>\$ 27,145.92</b>	<b>\$ 67,034.29</b>
Additional Corrections Made:					Grand Total			
1 ERIP 2007 kWh								
2 kW correction for General Service>50kW to 4,999kW								
					Grand Total			
					\$ 350,020.30			

Attachment E

Assumptions and Measures

Program Year	Free Rider Rate	Number of Units	Table Applied	Technology Life	Annual Energy Savings per unit (kWh)	Summer Peak kW savings per unit	Operating Hours
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Third Tranche

RESIDENTIAL								
LED Seasonal Lighting								
5W SLED	2005	5%	2,200	OPA	5	13.95	0	155
5W SLED	2006	5%	8	OPA	5	13.95	0	155
CFL Bulbs								
13W CFL	2005	10%	3,504	OPA	8	46.32	0.001	985.5
13W CFL	2006	10%	716	OPA	8	46.32	0.001	985.5
13W CFL	2007	10%	11,434	OPA	8	46.32	0.001	985.5

OPA Assumptions and Measures Tables:

2011 Prescriptive Measures and Assumptions Release Version 1. March 2011

**Festvial Hydro Inc.**  
**Reconciliation of 2001 PILs**  
**as at April 30, 2006**

<b>Interest Calculation</b>	<b>Outstanding Balance</b>	<b>Interest Income</b>	<b>Outstanding Principal</b>	<b>Check</b>	<b>Total Recovered</b>
Oct-01 New PILS in month	123,654.00		123,654.00		
Interest @ 7.25	0.00	0.00			
Oct Closing Balance	<u>123,654.00</u>	<u>0.00</u>	<u>123,654.00</u>	<u>123,654.00</u>	
Nov-01 Opening Balance	123,654.00		123,654.00		
New PILS in month	123,654.00		123,654.00		
Interest @ 7.25	761.40	761.40			
Oct Closing Balance	<u>248,069.40</u>	<u>761.40</u>	<u>247,308.00</u>	<u>248,069.40</u>	
Dec-01 Opening Balance	248,069.40	761.40	247,308.00		
New PILS in month	123,654.00		123,654.00		
Interest @ 7.25	1,522.81	1,522.81			
Oct Closing Balance	<u>373,246.21</u>	<u>2,284.21</u>	<u>370,962.00</u>	<u>373,246.21</u>	
Jan-02 Opening Balance	373,246.21	2,284.21	370,962.00		
Interest @ 7.25	2,284.21	2,284.21	0.00		
Jan Closing Balance	<u>375,530.42</u>	<u>4,568.42</u>	<u>370,962.00</u>	<u>375,530.42</u>	
Feb-02 Opening Balance	375,530.42		370,962.00		
Interest @ 7.25	2,063.16	2,063.16	0.00		
Jan Closing Balance	<u>377,593.58</u>	<u>6,631.58</u>	<u>370,962.00</u>	<u>377,593.58</u>	
Mar-02 Opening Balance	377,593.58		370,962.00		
Recovered in March	-7,843.30		-7,843.30		7,843.30
March Revised balance	369,750.28		363,118.70		
Interest @ 7.25	2,284.21	2,284.21	0.00		
March Closing balance	<u>372,034.49</u>	<u>8,915.79</u>	<u>363,118.70</u>	<u>372,034.49</u>	<u>7,843.30</u>
Apr-02 April Opening balance	372,034.49		363,118.70		
Recovered in April	-30,938.40		-30,938.40		30,938.40
March Revised balance	341,096.09		332,180.30		
Interest @ 7.25	2,163.79	2,163.79	0.00		
April Closing balance	<u>343,259.88</u>	<u>11,079.58</u>	<u>332,180.30</u>	<u>343,259.88</u>	<u>38,781.70</u>
May-02 May Opening balance	343,259.88		332,180.30		
Recovered in May	-24,847.79		-24,847.79		24,847.79
May Revised balance	318,412.09		307,332.51		
Interest @ 7.25	2,045.41	2,045.41	0.00		
May Closing balance	<u>320,457.50</u>	<u>13,124.99</u>	<u>307,332.51</u>	<u>320,457.50</u>	<u>63,629.49</u>
Jun-02 Jun Opening balance	320,457.50		307,332.51		
Recovered in Jun	-24,612.94		-24,612.94		24,612.94
Jun Revised balance	295,844.57		282,719.58		
2001 True Up Var Adjust	14,356.00		14,356.00		
2001 Def Acct Var Adj	323.00		323.00		
Interest @ 7.25	1,831.36	1,831.36	0.00		
Jun Closing balance	<u>312,354.93</u>	<u>14,956.36</u>	<u>297,398.58</u>	<u>312,354.93</u>	<u>88,242.42</u>
Jul-02 Jul Opening balance	312,354.93		297,398.58		
Recovered in July	-29,836.44		-29,836.44		29,836.44
Jul Revised balance	282,518.50		267,562.14		
Interest @ 7.25	1,772.17	1,772.17	0.00		
Jul Closing balance	<u>284,290.67</u>	<u>16,728.53</u>	<u>267,562.14</u>	<u>284,290.67</u>	<u>118,078.86</u>
Aug-02 Aug Opening balance	284,290.67	16,728.53	267,562.14		
Recovered in Aug	-32,283.99		-32,283.99		32,283.99
Aug Revised balance	252,006.67		235,278.15		
Interest @ 7.25	1,647.52	1,647.52			
Aug Closing balance	<u>253,654.20</u>	<u>18,376.05</u>	<u>235,278.15</u>	<u>253,654.20</u>	<u>150,362.85</u>
Sep-02 Sep Opening balance	253,654.20	18,376.05	235,278.15		
Recovered in Sep	-32,067.29		-32,067.29		32,067.29

	Sep Revised balance	221,586.91		203,210.86		
	Interest @ 7.25	1,402.00	1,402.00			
	Sep Closing balance	222,988.91	19,778.05	203,210.86	222,988.91	182,430.14
Oct-02	Oct Opening balance	222,988.91	19,778.05	203,210.86		
	Recovered in Oct	-30,123.95		-30,123.95		30,123.95
	Oct Revised balance	192,864.96		173,086.91		
	Interest @ 7.25	1,251.28	1,251.28			
	Oct Closing balance	194,116.24	21,029.33	173,086.91	194,116.24	212,554.09
Nov-02	Nov Opening balance	194,116.24	21,029.33	173,086.91		
	Recovered in Nov	-30,442.88		-30,442.88		30,442.88
	Oct Revised balance	163,673.36		142,644.03		
	Interest @ 7.25	1,031.41	1,031.41			
	Nov Closing balance	164,704.77	22,060.74	142,644.03	164,704.77	242,996.97
Dec-02	Dec Opening balance	164,704.77	22,060.74	142,644.03		
	Recovered in Dec	-31,465.36		-31,465.36		31,465.36
		0.00		0.00		0.00
	Dec Revised balance	133,239.40		111,178.66		
	Interest Adjustment	-2,067.18	-2,067.18			
	Interest @ 7.25	878.34	878.34			
	Dec Closing balance	132,050.56	20,871.89	111,178.66	132,050.56	274,462.34
				Proof	New Pils	370,962.00
				Agrees to G.L.	Add Interest	20,871.89
					True Ups	14,679.00
					Less Recovery	-274,462.34
				Agrees to G.L.	Balance	132,050.56
Jan-03	Jan Opening balance	132,050.56	20,871.89	111,178.66	132,050.56	274,462.34
	Adjust for 1 month of new PIL	30,913.50		30,913.50		
	Recovered in Jan 03	-33,027.21		-33,027.21		33,027.21
	Jan Revised balance	129,936.85		109,064.95		
	Interest @ 7.25	684.59	684.59			
	Jan Closing balance	130,621.43	21,556.48	109,064.95	130,621.43	307,489.55
	YTD		684.59			
Feb-03	Feb Opening balance	130,621.43	21,556.48	109,064.95	130,621.43	307,489.55
	Adjust for 1 month of new PIL	30,913.50		30,913.50		
	Recovered in Feb 03	-33,638.86		-33,638.86		33,638.86
	Feb Revised balance	127,896.07		106,339.60		
	Interest @ 7.25	606.58	606.58			
	Feb Closing balance	128,502.66	22,163.06	106,339.60	128,502.66	341,128.40
	YTD		1,291.17			
Mar-03	Feb Opening balance	128,502.66	22,163.06	106,339.60	128,502.66	341,128.40
	Adjust for 1 months of new PIL	30,913.50		30,913.50		
	Recovered in Feb 03	-32,530.87		-32,530.87		32,530.87
	Feb Revised balance	126,885.28		104,722.22		
	Interest @ 7.25	654.79	654.79			
	Mar Closing balance	127,540.07	22,817.85	104,722.22	127,540.07	373,659.28
	YTD		1,945.96			
Apr-03	Mar Opening balance	127,540.07	22,817.85	104,722.22	127,540.07	373,659.28
	Adjust for 1 month of new PIL	30,913.50		30,913.50		
	Recovered in Apr 03	-31,083.15		-31,083.15		31,083.15
	Revised balance	127,370.42		104,552.57		
	Interest @ 7.25	624.03	624.03			
	Apr Closing balance	127,994.45	23,441.88	104,552.57	127,994.45	404,742.43
	YTD		2,569.99			
May-03	May Opening balance	127,994.45	23,441.88	104,552.57	127,994.45	404,742.43
	Adjust for 1 month of new PIL	30,913.50		30,913.50		
	Recovered in May 03	-30,319.41		-30,319.41		30,319.41
	Revised balance	128,588.54		105,146.66		
	Interest @ 7.25	643.79	643.79			

May Closing balance	<u>129,232.33</u>	<u>24,085.66</u>	<u>105,146.66</u>	<u>129,232.33</u>	<u>435,061.84</u>
	YTD	3,213.77			
Jun-03 Jun Opening balance	129,232.33	24,085.66	105,146.66	129,232.33	435,061.84
Adjust for 1 month of new PIL	30,913.50		30,913.50		
Recovered in Jun 03	<u>-29,265.24</u>		<u>-29,265.24</u>		29,265.24
Revised balance	130,880.59		106,794.92		
Interest @ 7.25	647.44	647.44			
	0.00	0.00			
Jun Closing balance	<u>131,528.03</u>	<u>24,733.11</u>	<u>106,794.92</u>	<u>131,528.03</u>	<u>464,327.08</u>
	YTD	3,861.22			
Jul-03 Opening balance	131,528.03	24,733.11	106,794.92	131,528.03	464,327.08
Adjust for 1 month of new PIL	30,913.50		30,913.50		
Recovered in Jul 03	<u>-29,863.52</u>		<u>-29,863.52</u>		29,863.52
Revised balance	132,578.02		107,844.91		
Interest @ 7.25	657.59	657.59			
Closing balance	<u>133,235.61</u>	<u>25,390.70</u>	<u>107,844.91</u>	<u>133,235.61</u>	<u>494,190.59</u>
	YTD	4,518.81			
Aug-03 Opening balance	133,235.61	25,390.70	107,844.91	133,235.61	494,190.59
Adjust for 1 month of new PIL	30,913.50		30,913.50		
Recovered in Aug 03	<u>-31,215.25</u>		<u>-31,215.25</u>		31,215.25
Revised balance	132,933.86		107,543.16		
Interest @ 7.25	664.06	664.06			
Closing balance	<u>133,597.92</u>	<u>26,054.76</u>	<u>107,543.16</u>	<u>133,597.92</u>	<u>525,405.84</u>
	YTD	5,182.87			
Sep-03 Opening balance	133,597.92	26,054.76	107,543.16	133,597.92	525,405.84
Adjust for 1 month of new PIL	30,913.50		30,913.50		
Recovered in Sep 03	<u>-30,779.91</u>		<u>-30,779.91</u>		30,779.91
Revised balance	133,731.51		107,676.75		
Interest @ 7.25	640.84	640.84			
Closing balance	<u>134,372.35</u>	<u>26,695.60</u>	<u>107,676.75</u>	<u>134,372.35</u>	<u>556,185.75</u>
	YTD	5,823.71			
Oct-03 Opening balance	134,372.35	26,695.60	107,676.75	134,372.35	556,185.75
Adjust for 1 month of new PIL	30,913.50		30,913.50		
Recovered in OCT 03	<u>-29,387.78</u>		<u>-29,387.78</u>		29,387.78
Revised balance	135,898.07		109,202.47		
Interest @ 7.25	663.02	663.02			
Closing balance	<u>136,561.10</u>	<u>27,358.62</u>	<u>109,202.47</u>	<u>136,561.10</u>	<u>585,573.53</u>
	YTD	6,486.73			
Nov-03 Opening balance	136,561.10	27,358.62	109,202.47	136,561.10	585,573.53
Adjust for 1 month of new PIL	30,913.50		30,913.50		
Recovered in Nov 03	<u>-30,022.21</u>		<u>-30,022.21</u>		30,022.21
Revised balance	137,452.38		110,093.76		
Interest @ 7.25	650.73	650.73			
Closing balance	<u>138,103.11</u>	<u>28,009.35</u>	<u>110,093.76</u>	<u>138,103.11</u>	<u>615,595.74</u>
	YTD	7,137.46			
Dec-03 Opening balance	138,103.11	28,009.35	110,093.76	138,103.11	615,595.74
Adjust for 1 month of new PIL	30,913.50		30,913.50		
Recovered in Dec 03	<u>-30,410.34</u>		<u>-30,410.34</u>		30,410.34
Revised balance	138,606.28		110,596.92		
Interest @ 7.25	677.91	677.91			
Closing balance	<u>139,284.18</u>	<u>28,687.26</u>	<u>110,596.92</u>	<u>139,284.18</u>	<u>646,006.08</u>
	YTD	7,815.36			

<u>Int @ 7.25</u>	<u>Int @ 2.65</u>	<u>Allow # 1138</u>
7,815.36	2,856.65	4,958.71

Proof:

Beg Balance  
 PIL additions  
 Add interest  
 Less recoveries  
 Balance at Dec 31/03

To Date	YTD	for the Qtr
0	132,050.56	134,372.35
741,924.00	370,962.00	92740.5
28,687.26	7,815.36	1,991.66
-646,006.08	-371,543.74	-89,820.33
124,605.18	139,284.18	139,284.18

Jan/04	Opening balance	139,284.18	28,687.26	110,596.92	139,284.18	646,006.08
	Adjust for 1 month of new PIL	0.00		0.00		

Recovered in Jan 04	-32,861.66		-32,861.66		32,861.66
Revised balance	106,422.52		77,735.27		
Interest @ 7.25	681.00	681.00			
Closing balance	107,103.53	29,368.26	77,735.27	107,103.53	678,867.73
	YTD	681.00			
Feb-04 Opening balance	107,103.53	29,368.26	77,735.27	107,103.53	678,867.73
Adjust for 1 month of new PIL	0.00		0.00		
Recovered in Feb 04	-33,602.68		-33,602.68		33,602.68
Revised balance	73,500.85		44,132.59		
Interest @ 7.25	447.78	447.78			
Closing balance	73,948.62	29,816.04	44,132.59	73,948.62	712,470.41
	YTD	1,128.78			
Mar-04 Opening balance	73,948.62	29,816.04	44,132.59	73,948.62	712,470.41
Adjust for 1 month of new PIL	0.00		0.00		
Recovered in Mar04	-55,439.78		-55,439.78		55,439.78
Revised balance	18,508.85		-11,307.19		
Interest @ 7.25	271.75	271.75			
Closing balance	18,780.59	30,087.79	-11,307.19	18,780.59	767,910.19
<b>(Last month for recovery - incudes unbilled revenue)</b>	YTD	1,400.53			
Apr-04 Opening balance	18,780.59	30,087.79	-11,307.19	18,780.59	767,910.19
Interest @ 7.25	-67.38	-67.38			
Closing balance	18,713.21	30,020.41	-11,307.19	18,713.21	767,910.19
	YTD	1,333.15			
May-04 Opening balance	18,713.21	30,020.41	-11,307.19	18,713.21	767,910.19
Interest @ 7.25	-69.62	-69.62			
Closing balance	18,643.59	29,950.78	-11,307.19	18,643.59	767,910.19
	YTD	1,263.53			
Jun-04 Opening balance	18,643.59	29,950.78	-11,307.19	18,643.59	767,910.19
Interest @ 7.25	-67.38	-67.38			
Closing balance	18,576.21	29,883.40	-11,307.19	18,576.21	767,910.19
	YTD	1,196.15			
Jul-04 Opening balance	18,576.21	29,883.40	-11,307.19	18,576.21	767,910.19
Interest @ 7.25	-69.62	-69.62			
Closing balance	18,506.59	29,813.78	-11,307.19	18,506.59	767,910.19
	YTD	1,126.52			
Aug-04 Opening balance	18,506.59	29,813.78	-11,307.19	18,506.59	767,910.19
Interest @ 7.25	-69.62	-69.62			
Closing balance	18,436.96	29,744.16	-11,307.19	18,436.96	767,910.19
	YTD	1,056.90			
Sep-04 Opening balance	18,436.96	29,744.16	-11,307.19	18,436.96	767,910.19
Interest @ 7.25	-67.38	-67.38			
Closing balance	18,369.58	29,676.78	-11,307.19	18,369.58	767,910.19
	YTD	989.52			
Oct-04 Opening balance	18,369.58	29,676.78	-11,307.19	18,369.58	767,910.19
Interest @ 7.25	-69.62	-69.62			
Closing balance	18,299.96	29,607.15	-11,307.19	18,299.96	767,910.19
	YTD	919.90			
Nov-04 Opening balance	18,299.96	29,607.15	-11,307.19	18,299.96	767,910.19
Interest @ 7.25	-67.38	-67.38			
Closing balance	18,232.58	29,539.77	-11,307.19	18,232.58	767,910.19
	YTD	852.52			
Dec-04 Opening balance	18,232.58	29,539.77	-11,307.19	18,232.58	767,910.19
Interest @ 7.25	-69.62	-69.62			
Closing balance	18,162.96	29,470.15	-11,307.19	18,162.96	767,910.19
	YTD	782.89			
<b>Beq Balance</b>			139,284.18		



	PIL additions		0		
	Add interest		782.89		
	Less recoveries		-121,904.12		
	Balance at Dec 31/04		<u>18,162.96</u>		
Jan-05	Opening balance	18,162.96	29,470.15	-11,307.19	18,162.96 767,910.19
	Interest @ 7.25	-69.62	-69.62		
	Closing balance	<u>18,093.33</u>	<u>29,400.53</u>	<u>-11,307.19</u>	<u>18,093.33 767,910.19</u>
	YTD		-69.62		
Feb-05	Opening balance	18,093.33	29,400.53	-11,307.19	18,093.33 767,910.19
	Interest @ 7.25	-62.89	-62.89		
	Closing balance	<u>18,030.45</u>	<u>29,337.64</u>	<u>-11,307.19</u>	<u>18,030.45 767,910.19</u>
	YTD		-132.51		
Mar-05	Opening balance	18,030.45	29,337.64	-11,307.19	18,030.45 767,910.19
	Interest @ 7.25	-69.62	-69.62		
	Closing balance	<u>17,960.82</u>	<u>29,268.01</u>	<u>-11,307.19</u>	<u>17,960.82 767,910.19</u>
	YTD		-202.14		
Apr-05	Opening balance	17,960.82	29,268.01	-11,307.19	17,960.82 767,910.19
	Interest @ 7.25	-67.38	-67.38		
	Closing balance	<u>17,893.44</u>	<u>29,200.64</u>	<u>-11,307.19</u>	<u>17,893.44 767,910.19</u>
	YTD		-269.51		
May-05	Opening balance	17,893.44	29,200.64	-11,307.19	17,893.44 767,910.19
	Interest @ 7.25	-69.62	-69.62		
	Closing balance	<u>17,823.82</u>	<u>29,131.01</u>	<u>-11,307.19</u>	<u>17,823.82 767,910.19</u>
	YTD		-339.14		
Jun-05	Opening balance	17,823.82	29,131.01	-11,307.19	17,823.82 767,910.19
	Interest @ 7.25	-67.38	-67.38		
	Closing balance	<u>17,756.44</u>	<u>29,063.63</u>	<u>-11,307.19</u>	<u>17,756.44 767,910.19</u>
	YTD		-406.52		
Jul-05	Opening balance	17,756.44	29,063.63	-11,307.19	17,756.44 767,910.19
	Interest @ 7.25	-69.62	-69.62		
	Closing balance	<u>17,686.82</u>	<u>28,994.01</u>	<u>-11,307.19</u>	<u>17,686.82 767,910.19</u>
	YTD		-476.14		
Aug-05	Opening balance	17,686.82	28,994.01	-11,307.19	17,686.82 767,910.19
	Interest @ 7.25	-69.62	-69.62		
	Closing balance	<u>17,617.19</u>	<u>28,924.38</u>	<u>-11,307.19</u>	<u>17,617.19 767,910.19</u>
	YTD		-545.77		
Sep-05	Opening balance	17,617.19	28,924.38	-11,307.19	17,617.19 767,910.19
	Interest @ 7.25	-67.38	-67.38		
	Closing balance	<u>17,549.81</u>	<u>28,857.01</u>	<u>-11,307.19</u>	<u>17,549.81 767,910.19</u>
	YTD		-613.14		
Oct-05	Opening balance	17,549.81	28,857.01	-11,307.19	17,549.81 767,910.19
	Interest @ 7.25	-69.62	-69.62		
	Closing balance	<u>17,480.19</u>	<u>28,787.38</u>	<u>-11,307.19</u>	<u>17,480.19 767,910.19</u>
	YTD		-682.77		
Nov-05	Opening balance	17,480.19	28,787.38	-11,307.19	17,480.19 767,910.19
	Interest @ 7.25	-67.38	-67.38		
	Closing balance	<u>17,412.81</u>	<u>28,720.00</u>	<u>-11,307.19</u>	<u>17,412.81 767,910.19</u>
	YTD		-750.15		
Dec-05	Opening balance	17,412.81	28,720.00	-11,307.19	17,412.81 767,910.19
	Interest @ 7.25	-69.62	-69.62		
	Closing balance	<u>17,343.19</u>	<u>28,650.38</u>	<u>-11,307.19</u>	<u>17,343.19 767,910.19</u>
	YTD		-819.77		
Jan-06	Opening balance	17,343.19	28,650.38	-11,307.19	17,343.19 767,910.19
	Interest @ 7.25	-69.62	-69.62		

Closing balance	<u>17,273.56</u>	<u>28,580.75</u>	<u>-11,307.19</u>	<u>17,273.56</u>	<u>767,910.19</u>
	YTD	-69.62			
Feb-06 Opening balance	17,273.56	28,580.75	-11,307.19	17,273.56	767,910.19
Interest @ 7.25	<u>-62.89</u>	<u>-62.89</u>			
Closing balance	<u>17,210.67</u>	<u>28,517.87</u>	<u>-11,307.19</u>	<u>17,210.67</u>	<u>767,910.19</u>
	YTD	-132.51			
Mar-06 Opening balance	17,210.67	28,517.87	-11,307.19	17,210.67	767,910.19
Interest @ 7.25	<u>-69.62</u>	<u>-69.62</u>			
Closing balance	<u>17,141.05</u>	<u>28,448.24</u>	<u>-11,307.19</u>	<u>17,141.05</u>	<u>767,910.19</u>
	YTD	-202.14			
Apr-06 Opening balance	17,141.05	28,448.24	-11,307.19	17,141.05	767,910.19
Interest @ 7.25	<u>-67.38</u>	<u>-67.38</u>			
Closing balance	<u>17,073.67</u>	<u>28,380.86</u>	<u>-11,307.19</u>	<u>17,073.67</u>	<u>767,910.19</u>
	YTD	-269.51			

**Total Summary from March 2002 to April 30, 2006:**

	<u>2012 IRM Application</u>	<u>Originally filed</u>
New Pils	741,924.00	741,924.00
Recoveries	-767,910.19	-767,680.19
True Ups	-29,104.00	
Interest	<u>28,380.86</u>	<u>18,657.52</u>
Final Bal	<u>-26,709.33</u>	<u>-7,098.67</u>
Change	-19,610.66	

Year	<u>Beginning</u>	<u>True Ups &amp; New PILS</u>	<u>Interst</u>	<u>Recoveries</u>	<u>Ending</u>
<u>2001</u>		370,962.00	0		370,962.00 Int in 2002
2002	370,962.00	14,679.00	20,871.89	-274,462.34	132,050.55
2003	132,050.55	370,962.00	7,815.36	-371,543.74	139,284.18
2004	139,284.18	0.00	782.89	-121,904.11	18,162.96
2005	18,162.96	0.00	-819.77	0.00	17,343.19
2006	17,343.19	0.00	-269.51	0.00	17,073.67
		<u>756,603.00</u>	<u>28,380.86</u>	<u>-767,910.19</u>	<u>17,073.67</u>

	A	B	C	D	E
1	<b>PILs TAXES - EB-2011-0167</b>				<b>Version 2009.1</b>
2	<b>REGULATORY INFORMATION (REGINFO)</b>				
3	<b>Utility Name: Festival Hydro Inc</b>			Colour Code	
4	<b>Reporting period: 2005</b>			Input Cell	
5				Formula in Cell	
6	<b>Days in reporting period:</b>	365	days		
7	<b>Total days in the calendar year:</b>	365	days		
8					
9	<b>BACKGROUND</b>				
10	Has the utility reviewed section 149(1) ITA to				
11	confirm that it is not subject to regular corporate				
12	tax (and therefore subject to PILs)?		Y/N	Y	
13					
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N	N	
16					
17	Is the utility a non-profit corporation?		Y/N	N	
18	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)				
19	Are the Ontario Capital Tax & Large Corporations Tax Exemptions	OCT	Y/N	Y	
20	shared among the corporate group?	LCT	Y/N	NA	
21	Please identify the % used to allocate the OCT and LCT exemptions in	OCT		91%	
22	Cells C65 & C74 in the TAXCALC spreadsheet.	LCT		91%	
23					
24	Accounting Year End		Date	12-31-2005	
25					
26	<b>MARR NO TAX CALCULATIONS</b>				<b>Regulatory</b>
27	<b>SHEET #7 FINAL RUD MODEL DATA</b>				<b>Income</b>
28	<b>(FROM 1999 FINANCIAL STATEMENTS)</b>				
29	<b>USE BOARD-APPROVED AMOUNTS</b>				
30					
31	Rate Base (wires-only)			31,136,775	
32					
33	Common Equity Ratio (CER)			50.00%	
34					
35	1-CER			50.00%	
36					
37	Target Return On Equity			9.88%	
38					
39	Debt rate			7.25%	
40					
41	Market Adjusted Revenue Requirement			2,666,865	
42					
43	1999 return from RUD Sheet #7			681,997	681,997
44					
45	Total Incremental revenue			1,984,868	
46	<b>Input: Board-approved dollar amounts phased-in</b>				
47	Amount allowed in 2001			661,623	661,623
48	Amount allowed in 2002			661,623	661,623
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210			0	0
50	unless authorized by the Minister and the Board)				0
51	Amount allowed in 2005 - Third tranche of MARR re: CDM			661623	661,623
52	Other Board-approved changes to MARR or incremental revenue			81598	81,598
53					0
54	<b>Total Regulatory Income</b>				<b>2,748,464</b>
55					
56	Equity			15,568,388	
57					
58	Return at target ROE			1,538,157	
59					
60	Debt			15,568,388	
61					
62	Deemed interest amount in 100% of MARR			1,128,708	
63					
64	Phase-in of interest - Year 1 (2001)			568,666	
65	((D43+D47)/D41)*D61				
66	Phase-in of interest - Year 2 (2002)			848,687	
67	((D43+D47+D48)/D41)*D61				
68	Phase-in of interest - Year 3 (2003) and forward			848,687	
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
70	Phase-in of interest - 2005			1,128,708	
71					
72					

A	B	C	D	E	F	G	H
1 PILS TAXES - EB-2011-0167	ITEM	Initial		M of F	M of F	Tax	
2 PILS DEFERRAL AND VARIANCE ACCOUNTS		Estimate		Filing	Filing	Returns	
3 TAX CALCULATIONS (TAXCALC)				Variance	Variance		
4 ("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	0					Version 2009.1	
6 Utility Name: Festival Hydro Inc							
7 Reporting period: 2005							
8							
9 Days in reporting period:	365	days				Column	
10 Total days in the calendar year:	365	days				Brought	
11						From	
12		\$		\$		TAXREC	
13						\$	
14 I) CORPORATE INCOME TAXES							
15							
16 Regulatory Net Income REGINFO E53	1	2,748,464		686,184		3,434,648	
17							
18 BOOK TO TAX ADJUSTMENTS							
19 Additions:							
20 Depreciation & Amortization	2	1,951,722		335,019		2,286,741	
21 Employee Benefit Plans - Accrued, Not Paid	3			0		0	
22 Tax reserves - beginning of year	4			0		0	
23 Reserves from financial statements - end of year	4			1,240,577		1,240,577	
24 Regulatory Adjustments - Increase in income	5			0		0	
25 Other Additions (See Tab entitled "TAXREC")							
26 "Material" Items from "TAXREC" worksheet	6			95,000		95,000	
27 Other Additions (not "Material") "TAXREC"	6			0		0	
28 "Material" Items from "TAXREC 2" worksheet	6			4,480		4,480	
29 Other Additions (not "Material") "TAXREC 2"	6			0		0	
30 Items on which true-up does not apply "TAXREC 3"				65,540		65,540	
31							
32 Deductions: Input positive numbers							
33 Capital Cost Allowance and CEC	7	1,358,147		253,624		1,611,771	
34 Employee Benefit Plans - Paid Amounts	8			0		0	
35 Items Capitalized for Regulatory Purposes	9	0		0		0	
36 Regulatory Adjustments - deduction for tax purposes in Item 5	10			0		0	
37 Interest Expense Deemed/ Incurred	11	1,128,708		26,640		1,155,348	
38 Tax reserves - end of year	4			0		0	
39 Reserves from financial statements - beginning of year	4			1,152,145		1,152,145	
40 Contributions to deferred income plans	3			0		0	
41 Contributions to pension plans	3			0		0	
42 Interest capitalized for accounting but deducted for tax	11			0		0	
43 CDM 2005 incremental O&M expenses per 2005 PILs model (43% of \$760632)		126,779					
44 "Material" Items from "TAXREC" worksheet	12			229,739		229,739	
45 Other Deductions (not "Material") "TAXREC"	12			0		0	
46 "Material" Items from "TAXREC 2" worksheet	12			0		0	
47 Other Deductions (not "Material") "TAXREC 2"	12			0		0	
48 Items on which true-up does not apply "TAXREC 3"				209,001		209,001	
49							
50 TAXABLE INCOME/ (LOSS)		2,086,552		555,651	Before loss C/F	2,768,982	
51							
52 BLENDED INCOME TAX RATE							
53 Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	36.12%		0.0000%		36.12%	
54							
55 REGULATORY INCOME TAX		753,663		246,493	Actual	1,000,155	
56							
57							
58 Miscellaneous Tax Credits	14			6,959	Actual	6,959	
59							
60 Total Regulatory Income Tax		753,663		239,534	Actual	993,196	
61							
62							
63 III) CAPITAL TAXES							
64							
65 Ontario							
66 Base	15	31,136,775		8,637,900		39,774,675	
67 Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	7,365,000		-74,824		7,290,176	
68 Taxable Capital		23,771,775		8,563,076		32,484,499	
69							
70 Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%	
71							
72 Ontario Capital Tax		71,315		26,138		97,453	
73							
74 Federal Large Corporations Tax							
75 Base	18	31,136,775		4,291,111		35,427,886	
76 Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	45,312,500		3,187,500		48,500,000	
77 Taxable Capital		0		7,478,611		0	
78							
79 Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.1750%		0.0250%		0.2000%	
80							
81 Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		0		0		0	
82 Less: Federal Surtax 1.12% x Taxable Income	21	0		0		0	
83							
84 Net LCT		0		0		0	
85							
86 III) INCLUSION IN RATES							
87							
88 Income Tax Rate used for gross- up (exclude surtax)		36.12%					
89							
90 Income Tax (proxy tax is grossed-up)	22	1,179,810			Actual 2005	993,196	
91 LCT (proxy tax is grossed-up)	23	0			Actual 2005	0	
92 Ontario Capital Tax (no gross-up since it is deductible)	24	71,315			Actual 2005	97,453	
93							
94							
95 Total PILs for Rate Adjustment -- MUST AGREE WITH 2005	25	1,251,125			Actual 2005	1,090,649	
96 RAM DECISION							
97							
98							
99 IV) FUTURE TRUE-UPS							
100 IV a) Calculation of the True-up Variance				DR/(CR)			
101 In Additions:							
102 Employee Benefit Plans - Accrued, Not Paid	3			0			
103 Tax reserves deducted in prior year	4			0			
104 Reserves from financial statements-end of year	4			1,240,577			
105 Regulatory Adjustments	5			0			
106 Other additions "Material" Items TAXREC	6			95,000			
107 Other additions "Material" Items TAXREC 2	6			4,480			
108 In Deductions - positive numbers							
109 Employee Benefit Plans - Paid Amounts	8			0			
110 Items Capitalized for Regulatory Purposes	9			0			
111 Regulatory Adjustments	10			0			
112 Interest Adjustment for tax purposes (See Below - cell I206)	11			26,640			
113 Tax reserves claimed in current year	4			0			
114 Reserves from F/S beginning of year	4			1,152,145			
115 Contributions to deferred income plans	3			0			
116 Contributions to pension plans	3			0			
117 Other deductions "Material" Items TAXREC	12			229,739			
118 Other deductions "Material" Item TAXREC 2	12			0			
119							
120 Total TRUE-UPS before tax effect	26			-68,467			
121							
122 Income Tax Rate (excluding surtax) from 2005 Utility's tax return			x	36.12%			

A	B	C	D	E	F	G	H
1 PILs TAXES - EB-2011-0167	ITEM	Initial		M of F	M of F	Tax	
2 PILs DEFERRAL AND VARIANCE ACCOUNTS		Estimate		Filing	Filing	Returns	
3 TAX CALCULATIONS (TAXCALC)				Variance	Variance		
4 ("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	0					Version 2009.1	
6 Utility Name: Festival Hydro Inc							
7 Reporting period: 2005							
8							
9 Days in reporting period:	365	days				Column	
10 Total days in the calendar year:	365	days				Brought	
11						From	
12			\$	\$		TAXREC	
13						\$	
14							
15 Income Tax Effect on True-up adjustments			=	-24,730			
16							
17 Less: Miscellaneous Tax Credits	14			6,959			
18							
19 Total Income Tax on True-ups				-31,689			
20							
21 Income Tax Rate used for gross-up (exclude surtax)				35.00%			
22							
23 TRUE-UP VARIANCE ADJUSTMENT				-48,753			
24							
25 IV b) Calculation of the Deferral Account Variance caused by							
26 changes in legislation							
27							
28 REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial							
29 estimate column)			=	2,086,552			
30							
31 REVISED CORPORATE INCOME TAX RATE			x	36.12%			
32							
33 REVISED REGULATORY INCOME TAX			=	753,663			
34							
35 Less: Revised Miscellaneous Tax Credits			-	6,959			
36							
37 Total Revised Regulatory Income Tax			=	746,704			
38							
39 Less: Regulatory Income Tax reported in the Initial Estimate Column							
40 (Cell C58)			-	753,663			
41							
42 Regulatory Income Tax Variance			=	-6,959			
43							
44 Ontario Capital Tax							
45							
46 Base			=	31,136,775			
47							
48 Less: Exemption from tab Tax Rates, Table 2, cell C39			-	7,500,000			
49							
50 Revised deemed taxable capital			=	23,636,775			
51							
52 Rate - Tab Tax Rates cell C54			x	0.3000%			
53							
54 Revised Ontario Capital Tax			=	70,910			
55							
56 Less: Ontario Capital Tax reported in the initial estimate column (Cell							
57 C70)			-	71,315			
58							
59 Regulatory Ontario Capital Tax Variance			=	-405			
60							
61 Federal LCT							
62							
63 Base				31,136,775			
64							
65 Less: Exemption from tab Tax Rates, Table 2, cell C40			-	50,000,000			
66							
67 Revised Federal LCT			=	-18,863,225			
68							
69 Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2000%			
70							
71 Gross Amount				0			
72							
73 Less: Federal surtax			-	0			
74							
75 Revised Net LCT			=	0			
76							
77 Less: Federal LCT reported in the initial estimate column (Cell C82)			-	0			
78							
79 Regulatory Federal LCT Variance			=	0			
80							
81 Actual Income Tax Rate used for gross-up (exclude surtax)				35.00%			
82							
83 Income Tax (grossed-up)			+	-10,706			
84							
85 LCT (grossed-up)			+	0			
86							
87 Ontario Capital Tax			+	-405			
88							
89 DEFERRAL ACCOUNT VARIANCE ADJUSTMENT			=	-11,111			
90							
91 TRUE-UP VARIANCE (from cell H32)			+	-48,753			
92							
93 Total Deferral Account Entry (Positive Entry = Debit)			=	-59,864			
94							
95 (Deferral Account Variance + True-up Variance)							
96							
97							
98							
99 VI INTEREST PORTION OF TRUE-UP							
100 Variance Caused By Phase-in of Deemed Debt							
101							
102 Total deemed interest (REGINFO)				1,128,708			
103							
104 Interest phased-in (Cell C37)				1,128,708			
105							
106 Variance due to phase-in of debt component of MARR in rates				0			
107							
108 according to the Board's decision							
109							
110 Other Interest Variances (i.e. Borrowing Levels							
111							
112 Above Deemed Debt per Rate Handbook)							
113							
114 Actual Interest deducted on MoF filing (Cell K36+K41)				1,155,348			
115							
116 Deemed Interest				1,128,708			
117							
118 Variance caused by excess debt				26,640			
119							
120 Interest Adjustment for Tax Purposes (carry forward to Cell E112)				26,640			
121							
122 Total Interest Variance				-26,640			
123							
124							
125							
126							
127							
128							
129							
130							
131							
132							
133							

	A	B	C	D	E	F	G
1	PILs TAXES - EB-2011-0167	LINE	M of F	Non-wires	Wires-only		
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax		
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return		
4		0	Return				
5					Version 2009.1		
6	Section A: Identification:						
7	Utility Name: Festival Hydro Inc						
8	Reporting period: 2005						
9	Taxation Year's start date:						
10	Taxation Year's end date:						
11	Number of days in taxation year:		365	days			
12							
13	Please enter the Materiality Level :		0	< - enter materiality level			
14	(0.25% x Rate Base x CER)	Y/N	Y				
15	(0.25% x Net Assets)	Y/N	N				
16	Or other measure (please provide the basis of the amount)	Y/N	N				
17	Does the utility carry on non-wires related operation?	Y/N	Y				
18	(Please complete the questionnaire in the Background questionnaire worksheet.)						
19							
20	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K						
21							
22	Section B: Financial statements data:						
23	Input unconsolidated financial statement data submitted with Tax returns.						
24	The actual categories of the income statements should be used.						
25	If required please change the descriptions except for amortization, interest expense and provision for income tax						
26							
27	Please enter the non-wire operation's amount as a positive number, the program automatically treats all amounts						
28	in the "non-wires elimination column" as negative values in TAXREC and TAXREC2.						
29							
30	Income:						
31	Energy Sales	+	47,252,268		47,252,268		
32	Distribution Revenue	+	8,395,969		8,395,969		
33	Other Income	+	262,759		262,759		
34	Miscellaneous income	+	555,812	174,056	381,756		
35		+			0		
36	Revenue should be entered above this line						
37							
38	Costs and Expenses:						
39	Cost of energy purchased	-	47,252,268		47,252,268		
40	Administration	-	997,030		997,030		
41	Customer billing and collecting	-	945,877		945,877		
42	Operations and maintenance	-	1,188,720		1,188,720		
43	Amortization	-	2,286,741		2,286,741		
44	Other Interest Expense (customer deposit/IESO LC)	-	95,000		95,000		
45		-	92,468		92,468		
46		-			0		
47		-			0		
48		-			0		
49							
50	Net Income Before Interest & Income Taxes EBIT	=	3,608,704	174,056	3,434,648		
51	Less: Interest expense for accounting purposes	-	1,155,348		1,155,348		
52	Provision for payments in lieu of income taxes	-	925,000		925,000		
53	Net Income (loss)	=	1,528,356	174,056	1,354,300		
54	(The Net Income (loss) on the MoF column should equal to the net income (loss) per financial statements on Schedule 1 of the tax return. )						
55							
56	Section C: Reconciliation of accounting income to taxable income						
57	From T2 Schedule 1						
58	BOOK TO TAX ADDITIONS:						
59	Provision for income tax	+	925,000	0	925,000		
60	Federal large corporation tax	+	0		0		
61	Depreciation & Amortization	+	2,286,741	0	2,286,741		
62	Employee benefit plans-accrued, not paid - CHECK	+	0	0	0		
63	Tax reserves - beginning of year	+	0	0	0		
64	Reserves from financial statements- end of year	+	1,240,577	0	1,240,577		
65	Regulatory adjustments on which true-up may apply (see A66)	+			0		
66	Items on which true-up does not apply "TAXREC 3"		65,540	0	65,540		
67	Material addition items from TAXREC 2	+	4,480	0	4,480		
68	Other addition items (not Material) from TAXREC 2	+	0	0	0		
69							
70	Subtotal		4,522,338	0	4,522,338		
71							
72	Other Additions: (Please explain the nature of the additions)						
73	Recapture of CCA	+			0		
74	Non-deductible meals and entertainment expense	+			0		
75	Capital tax expensed	+	95,000		95,000		
76		+	0		0		
77		+			0		
78		+			0		
79		+			0		
80	Total Other Additions	=	95,000	0	95,000		
81							
82	Total Additions	=	4,617,338	0	4,617,338		
83							
84	Recap Material Additions:						
85			0	0	0		
86			0	0	0		

	A	B	C	D	E	F	G
1	PILs TAXES - EB-2011-0167	LINE	M of F	Non-wires	Wires-only		
2	TAX RETURN RECONCILIATION (TAXREC)		Corporate	Eliminations	Tax		
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return		
4	0		Return				
5					Version 2009.1		
87	Capital tax expensed		95,000	0	95,000		
88			0	0	0		
89			0	0	0		
90			0	0	0		
91			0	0	0		
92	Total Other additions >materiality level		95,000	0	95,000		
93	Other additions (less than materiality level)		0	0	0		
94	Total Other Additions		95,000	0	95,000		
95							
96	BOOK TO TAX DEDUCTIONS:						
97	Capital cost allowance	-	1,599,998		1,599,998		
98	Cumulative eligible capital deduction	-	11,773		11,773		
99	Employee benefit plans-paid amounts	-	0		0		
100	Items capitalized for regulatory purposes	-	0		0		
101	Regulatory adjustments :	-			0		
102	CCA	-			0		
103	other deductions	-			0		
104	Tax reserves - end of year	-	0	0	0		
105	Reserves from financial statements- beginning of year	-	1,152,145	0	1,152,145		
106	Contributions to deferred income plans	-			0		
107	Contributions to pension plans	-			0		
108	Items on which true-up does not apply "TAXREC 3"		209,001	0	209,001		
109	Interest capitalized for accounting deducted for tax	-			0		
110	Material deduction items from TAXREC 2	-	0	0	0		
111	Other deduction items (not Material) from TAXREC 2	-	0	0	0		
112							
113	Subtotal	=	2,972,917	0	2,972,917		
114	Other deductions (Please explain the nature of the deductions)						
115	Charitable donations - tax basis	-			0		
116	Gain on disposal of assets	-	132,286		132,286		
117	Actual Capital Tax per CT23	-	97,453		97,453		
118					0		
119		-			0		
120	Total Other Deductions	=	229,739	0	229,739		
121							
122	Total Deductions	=	3,202,656	0	3,202,656		
123							
124	Recap Material Deductions:						
125			0	0	0		
126	Gain on disposal of assets		132,286	0	132,286		
127	Actual Capital Tax per CT23		97,453	0	97,453		
128			0	0	0		
129			0	0	0		
130	Total Other Deductions exceed materiality level		229,739	0	229,739		
131	Other Deductions less than materiality level		0	0	0		
132	Total Other Deductions		229,739	0	229,739		
133							
134	TAXABLE INCOME	=	2,943,038	174,056	2,768,982		
135	DEDUCT:						
136	Non-capital loss applied positive number	-	0		0		
137	Net capital loss applied positive number	-			0		
138					0		
139	NET TAXABLE INCOME	=	2,943,038	174,056	2,768,982		
140							
141	FROM ACTUAL TAX RETURNS						
142	Net Federal Income Tax (Must agree with tax return)	+	650,999	38,501	612,498		
143	Net Ontario Income Tax (Must agree with tax return)	+	412,025	24,368	387,657		
144	Subtotal	=	1,063,024	62,869	1,000,155		
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-	6,959		6,959		
146	Total Income Tax	=	1,056,065	62,869	993,196		
147							
148	FROM ACTUAL TAX RETURNS						
149	Net Federal Income Tax Rate (Must agree with tax return)		22.12%		22.12%		
150	Net Ontario Income Tax Rate (Must agree with tax return)		14.00%		14.00%		
151	Blended Income Tax Rate		36.12%		36.12%		
152							
153	Section F: Income and Capital Taxes						
154							
155	RECAP						
156	Total Income Taxes	+	1,056,065	62,869	993,196		
157	Ontario Capital Tax	+	97,453		97,453		
158	Federal Large Corporations Tax	+	0		0		
159							
160	Total income and capital taxes	=	1,153,518	62,869	1,090,649		
161							

	A	B	C	D	E	F
1	<b>PILs TAXES - EB-2011-0167</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
2	<b>Tax and Accounting Reserves</b>		Corporate	Eliminations	<b>Tax</b>	
3	For MoF Column of TAXCALC		Tax		<b>Return</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Return			
5	<b>0</b>				<b>Version 2009.1</b>	
6						
7	<b>Utility Name: Festival Hydro Inc</b>					
8	<b>Reporting period: 2005</b>					
9						
10	<b>TAX RESERVES</b>					
11						
12	<b>Beginning of Year:</b>					
13					0	
14	Reserve for doubtful accounts ss. 20(1)(l)				0	
15	Reserve for goods & services ss.20(1)(m)				0	
16	Reserve for unpaid amounts ss.20(1)(n)				0	
17	Debt and share issue expenses ss.20(1)(e)				0	
18	Other - Please describe				0	
19	Other - Please describe				0	
20					0	
21					0	
22	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
23						
24	<b>End of Year:</b>					
25					0	
26	Reserve for doubtful accounts ss. 20(1)(l)		0		0	
27	Reserve for goods & services ss.20(1)(m)				0	
28	Reserve for unpaid amounts ss.20(1)(n)				0	
29	Debt and share issue expenses ss.20(1)(e)				0	
30	Other - Please describe				0	
31	Other - Please describe				0	
32					0	
33					0	
34	Insert line above this line					
35	<b>Total (carry forward to the TAXREC worksheet)</b>		0	0	0	
36						
37						
38	<b>FINANCIAL STATEMENT RESERVES</b>					
39						
40	<b>Beginning of Year:</b>					
41					0	
42					0	
43	Environmental				0	
44	Allowance for doubtful accounts		0		0	
45	Inventory obsolescence				0	
46	Property taxes				0	
47	Other - Liability for Future Employee Benefits		1,152,145		1,152,145	
48	Other - Please describe				0	
49					0	
50	<b>Total (carry forward to the TAXREC worksheet)</b>		1,152,145	0	1,152,145	
51						
52	<b>End of Year:</b>					
53					0	
54					0	
55	Environmental				0	
56	Allowance for doubtful accounts		0		0	
57	Inventory obsolescence				0	
58	Property taxes				0	
59	Other - Liability for Future Employee Benefits		1,240,577		1,240,577	
60	Other - Please describe				0	
61					0	
62	Insert line above this line					
63	<b>Total (carry forward to the TAXREC worksheet)</b>		1,240,577	0	1,240,577	
64						



	A	B	C	D	E	F
1						
2	PILs TAXES - EB-2011-0167	LINE	M of F	Non-wires	Wires-only	
3	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	Tax	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		Return	
5	<b>RATEPAYERS ONLY</b>		Return			
6	Shareholder-only Items should be shown on TAXREC 3				Version 2009.1	
7						
8	Utility Name: Festival Hydro Inc					
9	Reporting period: 2005					
10	Number of days in taxation year:		365			
11	Materiality Level:		0			
12						
13						
14						
15	<b>Section C: Reconciliation of accounting income to taxable income</b>					
16	<b>Add:</b>					
17		+			0	
18	Gain on sale of eligible capital property	+			0	
19	Loss on disposal of assets	+	3,765		3,765	
20	Charitable donations (Only if it benefits ratepayers)	+			0	
21	Taxable capital gains	+			0	
22	Non deductible meals	+	715		715	
23	Scientific research expenditures deducted	+			0	
24	per financial statements	+			0	
25	Capitalized interest	+			0	
26	Soft costs on construction and renovation of buildings	+			0	
27	Capital items expensed	+			0	
28	Debt issue expense	+			0	
29	Financing fees deducted in books	+			0	
30	Gain on settlement of debt	+			0	
31	Interest paid on income debentures	+			0	
32	Recapture of SR&ED expenditures	+			0	
33	Share issue expense	+			0	
34	Write down of capital property	+			0	
35	Amounts received in respect of qualifying environment trust	+			0	
36	Provision for bad debts	+			0	
37		+			0	
38		+			0	
39		+			0	
40	Other Additions: (please explain in detail the nature of the item)	+			0	
41	Section 12(1)(a) income - customer deposits	+	0		0	
42	CHECK	+			0	
43		+			0	
44		+			0	
45		+			0	
46	Total Additions	=	4,480	0	4,480	
47						
48	Recap of Material Additions:					
49			0	0	0	
50			0	0	0	
51	#REF!		3,765	0	3,765	
52			0	0	0	
53			0	0	0	
54	Charitable donations (Only if it benefits ratepayers)		715	0	715	
55			0	0	0	
56			0	0	0	
57			0	0	0	
58			0	0	0	
59			0	0	0	
60			0	0	0	
61			0	0	0	
62			0	0	0	
63			0	0	0	
64			0	0	0	
65			0	0	0	
66			0	0	0	
67			0	0	0	
68			0	0	0	
69			0	0	0	
70			0	0	0	
71			0	0	0	
72			0	0	0	
73			0	0	0	
74			0	0	0	

	A	B	C	D	E	F
1						
2	<b>PILs TAXES - EB-2011-0167</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
3	<b>TAX RETURN RECONCILIATION (TAXREC 2)</b>		Corporate	Eliminations	<b>Tax</b>	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
5	<b>RATEPAYERS ONLY</b>		Return			
6	<b>Shareholder-only Items should be shown on TAXREC 3</b>				<b>Version 2009.1</b>	
7						
8	<b>Utility Name: Festival Hydro Inc</b>					
9	<b>Reporting period: 2005</b>					
10	<b>Number of days in taxation year:</b>		365			
11	<b>Materiality Level:</b>		0			
12						
13						
75			0	0	0	
76			0	0	0	
77	Total Material additions		4,480	0	4,480	
78	Other additions less than materiality level		0	0	0	
79	Total Additions		4,480	0	4,480	
80						
81	Deduct:					
82	Gain on disposal of assets per f/s	-			0	
83	Dividends not taxable under section 83	-			0	
84	Terminal loss from Schedule 8	-			0	
85	Depreciation in inventory, end of prior year	-			0	
86	Scientific research expenses claimed in year from Form T661	-			0	
87	Bad debts	-			0	
88	Book income of joint venture or partnership	-			0	
89	Equity in income from subsidiary or affiliates	-			0	
90	Contributions to a qualifying environment trust	-			0	
91	Other income from financial statements	-			0	
92		-				
93		-			0	
94		-			0	
95	<i>Other deductions: (Please explain in detail the nature of the item)</i>	-			0	
96	Non-taxable load transfers	-	0		0	
97	Section 12(1)(m) income - customer deposits	-	0		0	
98	<b>CHECK</b>	-			0	
99	Total Deductions	=	0	0	0	
100						
101	Recap of Material Deductions:					
102			0	0	0	
103			0	0	0	
104			0	0	0	
105			0	0	0	
106			0	0	0	
107			0	0	0	
108			0	0	0	
109			0	0	0	
110			0	0	0	
111			0	0	0	
112			0	0	0	
113			0	0	0	
114			0	0	0	
115			0	0	0	
116			0	0	0	
117			0	0	0	
118			0	0	0	
119	Total Deductions exceed materiality level		0	0	0	
120	Other deductions less than materiality level		0	0	0	
121	Total Deductions		0	0	0	
122						

	A	B	C	D	E	F
1						
2	<b>PILs TAXES - EB-2011-0167</b>					
3	<b>TAX RETURN RECONCILIATION (TAXREC 3)</b>					
4	<b>Shareholder-only Items should be shown on TAXREC 3</b>	LINE	M of F	Non-wires	<b>Wires-only</b>	
5	<b>ITEMS ON WHICH TRUE-UP DOES NOT APPLY</b>		Corporate	Eliminations	<b>Tax</b>	
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		<b>Return</b>	
7	0		Return			
8	<b>Utility Name: Festival Hydro Inc</b>				<b>Version 2009.1</b>	
9						
10						
11	<b>Reporting period: 2005</b>					
12	<b>Number of days in taxation year:</b>		365			
13						
14						
15						
16	<b>Section C: Reconciliation of accounting income to taxable income</b>					
17	<b>Add:</b>					
18						
19	Recapture of capital cost allowance	+			0	
20	CCA adjustments	+			0	
21	CEC adjustments	+			0	
22	Gain on sale of non-utility eligible capital property	+			0	
23	Gain on sale of utility eligible capital property	+			0	
24	Loss from joint ventures or partnerships	+	-1,216		-1,216	
25	Deemed dividend income	+	1,017		1,017	
26	Loss in equity of subsidiaries and affiliates	+			0	
27	Loss on disposal of utility assets	+			0	
28	Loss on disposal of non-utility assets	+			0	
29	Depreciation in inventory -end of year	+			0	
30	Depreciation and amortization adjustments	+			0	
31	Dividends credited to investment account	+			0	
32	Non-deductible meals	+			0	
33	Non-deductible club dues	+			0	
34	Non-deductible automobile costs	+			0	
35	<b>Donations - amount per books</b>				0	
36	Interest and penalties on unpaid taxes		4,161		4,161	
37	Management bonuses unpaid after 180 days of year end				0	
38	<b>Ontario capital tax adjustments</b>				0	
39		+			0	
40	<b>Changes in Regulatory Asset balances</b>	+	0		0	
41	Imputed interest expense on Regulatory Assets	+	54,619		54,619	
42		+			0	
43	<i>Other Additions: (please explain in detail the nature of the item)</i>	+			0	
44	Ontario Specified Tax Credit (Apprenticeship Program)	+	6,959		6,959	
45		+			0	
46		+			0	
47	<b>Total Additions on which true-up does not apply</b>	=	65,540	0	65,540	
48						
49	<b>Deduct:</b>					
50						
51	CCA adjustments	-			0	
52	CEC adjustments	-			0	
53	Depreciation and amortization adjustments	-			0	
54	Gain on disposal of assets per financial statements	-			0	
55	Financing fee amortization - considered to be interest expense for PILs	-			0	
56	Imputed interest income on Regulatory Assets	-	209,001		209,001	
57	<b>Donations - amount deductible for tax purposes</b>	-			0	
58	Income from joint ventures or partnerships	-			0	
59		-			0	
60	<b>Ontario capital tax adjustments to current or prior year</b>	-			0	
61		-			0	
62	<b>Changes in Regulatory Asset balances</b>	-			0	
63		-			0	
64		-			0	
65		-			0	
66		-			0	
67		-			0	
68	<i>Other deductions: (Please explain in detail the nature of the item)</i>	-			0	
69		-			0	
70		-			0	
71		-			0	
72		-			0	
73	<b>Total Deductions on which true-up does not apply</b>	=	209,001	0	209,001	
74						
75						

	A	B	C	D	E	F	G	H	I	J
1	PILs TAXES - EB-2011-0167									
2	Corporate Tax Rates					Version 2009.1				
3	Exemptions, Deductions, or Thresholds									
4	Utility Name: Festival Hydro Inc									
5	Reporting period: 2005									
6										
7										
8	Table 1									
9	Rates Used in 2005 RAM PILs Applications for 2005									
10	Income Range		0		400,001					
11	RAM 2005		to		to					>1,128,000
12		Year	400,000		1,128,000					
13	Income Tax Rate									
14	Proxy Tax Year	2005								
15	Federal (Includes surtax)		13.12%		17.75%					22.12%
16	and Ontario blended		5.50%		9.75%					14.00%
17	Blended rate		18.62%		27.50%					36.12%
18	Capital Tax Rate		0.300%							
19	LCT rate		0.175%							
20	Surtax		1.12%							
21	Ontario Capital Tax Exemption **	MAX \$7.5MM	6,795,875							
22	Federal Large Corporations Tax Exemption **	MAX \$50MM	45,312,500							
23	**Exemption amounts must agree with the Board-approved 2005 RAM PILs filing									
24										
25										
26	Table 2									
27	Expected Income Tax Rates for 2005 and Capital Tax Exemptions for 2005									
28	Income Range		0	250,001	400,001					
29	Expected Rates		to	to	to					>1,128,000
30		Year	250,000	400,000	1,128,000					
31	Income Tax Rate									
32	Current year	2005								
33	Federal (Includes surtax)	2005	13.12%	22.12%	22.12%					22.12%
34	Ontario	2005	5.50%	5.50%	9.75%					14.00%
35	Blended rate	2005	18.62%	27.62%	31.87%					36.12%
36	Capital Tax Rate	2005	0.300%							
37	LCT rate	2005	0.200%							
38	Surtax	2005	1.12%							
39	Ontario Capital Tax Exemption *** 2005	MAX \$7.5MM	7,500,000							
40	Federal Large Corporations Tax Exemption *** 2005	MAX \$50MM	50,000,000							
41	***Allocation of exemptions must comply with the Board's instructions regarding regulated activities.									
42										
43										
44	Table 3									
45	Input Information from Utility's Actual 2005 Tax Returns									
46	Income Range		0	250,001	400,001					
47		Year	to	to	to					>1,128,000
48			250,000	400,000	1,128,000					
49	Income Tax Rate									
50	Current year	2005								
51	Federal (Includes surtax)		13.12%	22.12%	22.12%					22.12%
52	Ontario		5.50%	5.50%	14.00%					14.00%
53	Blended rate		18.62%	27.62%	36.12%					36.12%
54	Capital Tax Rate		0.300%							
55	LCT rate		0.200%							
56	Surtax		1.12%							
57	Ontario Capital Tax Exemption *	MAX \$7.5MM	7,290,176							
58	Federal Large Corporations Tax Exemption *	MAX \$50MM	48,500,000							
59	* Include copies of the actual tax return allocation calculations in your submission: Ontario CT23 page 11; federal T2 Schedule 36									
60										
61										

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	PILs TAXES - EB-2011-0167														
2	Analysis of PILs Tax Account 1562:														
3	Utility Name: Festival Hydro Inc														Version 2009.1
4	Reporting period: 2005														0
5															
6															
7															
8	Year start:		01/10/2001		01/01/2002		01/01/2003		01/01/2004		01/01/2005		01/01/2006		
9	Year end:		31/12/2001		31/12/2002		31/12/2003		31/12/2004		31/12/2005		30/04/2006		Total
10															
11	Opening balance:	=	0		370,962		469,455		483,806		505,013		406,072		0
12	Board-approved PILs tax proxy from Decisions (1)	+/-	370,962		1,226,571		1,597,533		1,319,312		306,643		417,610		5,238,631
13	PILs proxy from April 1, 2005 - input 9/12 of amount										939,623				939,623
14	True-up Variance Adjustment Q4, 2001 (2)	+/-			14,356										14,356
15	True-up Variance Adjustment (3)	+/-					-9,294		14,183		-4,896		-48,753		-48,760
16	Deferral Account Variance Adjustment Q4, 2001 (4)				323										323
17	Deferral Account Variance Adjustment (5)	+/-							-55,404		-115,031		-11,111		-181,546
18	Adjustments to reported prior years' variances (6)	+/-													0
19	Carrying charges (7)	+/-	0		39,539		29,637		27,194		23,249		6,699		126,316
20	PILs billed to (collected from) customers (8)	-	0		-1,182,296		-1,603,524		-1,284,077		-1,248,528		-518,172		-5,836,597
21															
22	Ending balance: # 1562		370,962		469,455		483,806		505,013		406,072		252,345		252,345
23															
24															
25															
26	Uncollected PILs														
27															
28	NOTE: The purpose of this worksheet is to show the movement in Account 1562 which establishes the receivable from or liability to ratepayers.														
29	For explanation of Account 1562 please refer to Accounting Procedures Handbook for Electric Distribution Utilities and FAQ April 2003.														
30															
31	Please identify if Method 1, 2 or 3 was used to account for the PILs proxy and recovery. ANSWER:										Method 3				
32															
33	(1) (i) From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002.														
34	Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002.														
35	If the Board gave more than one decision in the year, calculate a weighted average proxy.														
36	(ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.														
37	(iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.														
38	(iv) Column I - The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.														
39	(v) Column K - The 2002 PILs tax proxy applies to January 1 to March 31, 2005, and the new 2005 PILs tax proxy from April 1 to December 31, 2005.														
40	(vi) Column M - The 2005 PILs tax proxy will be used for the period from January 1 to April 30, 2006.														
41															
42	(2) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be														
43	true up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconciliation.														
44															
45	(3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet.														
46	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
47															
48	(4) From the Ministry of Finance Variance Column, under Future True-ups, Part IV b, cell I181, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be														
49	true up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.														
50															
51	(5) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I181, of the TAXCALC spreadsheet.														
52	The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.														
53															
54	(6) The correcting entry should be shown in the year the entry was made. The true-up of the carrying charges will have to be reviewed.														
55															
56	(7) Carrying charges are calculated on a simple interest basis.														
57															
58	(8) (i) PILs collected from customers from March 1, 2002 to March 31, 2004 were based on a fixed charge and a volumetric charge recovery by class. The PILs rate														
59	components for Q4, 2001 and 2002 were calculated in the 2002 approved RAM on sheet 6 and sheet 8. In April 2004, the PILs recovery was based on the														
60	2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM.														
61	The 2005 PILs tax proxy is being recovered on a volumetric basis by class.														
62															
63	(ii) Collections should equal: (a) the actual volumes/ load (kWhs, kW, Kva) for the period (including net unbilled at period end), multiplied														
64	by the PILs volumetric proxy rates by class (from the Q4, 2001 and 2002 RAM worksheets) for 2002, 2003 and January 1 to March 31, 2004;														
65	plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.														
66															
67	In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7,														
68	for the period April 1 to December 31, 2004, and add this total to the results from the sentence above for January 1 to March 31, 2004.														
69															
70	In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4,														
71	for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used														
72	to calculate the recovery for the period January 1 to March 31, 2005.														
73															
74	(9) Any interim PILs recovery from Board Decisions will be recorded in APH Account # 1590. Final reconciliation of PILs proxy taxes														
75	will have to include amounts from 1562 and from 1590.														
76															
77															

Festival Hydro Inc  
2001 to 2005 PILS Carry Forward  
as at Dec 31/10

	2001	2002	2003	2004	2005	2006	Total
2001 PIL Proxy	370,962.00		370,962.00				741,924.00
2001 Recoveries		-274,462.34	-371,543.74	-121,904.11			-767,910.19
2001 True Ups		14,679.00					14,679.00
2001 Interest		20,871.89	7,815.36	782.89	-819.77	-269.51	28,380.86
	370,962.00	-238,911.45	7,233.62	-121,121.22	-819.77	-269.51	17,073.67
							0.00
2002 PIL Proxy		1,226,571.00	1,226,571.00				2,453,142.00
2002 Recoveries		-907,833.73	-1,231,980.33	-403,070.60			-2,542,884.66
2002 Interest		18,666.71	21,821.26	-3,399.80	-10,085.10	-3,343.13	23,659.94
2002 & 2003 True ups			-9,294.00	-41,221.00			-50,515.00
	0.00	337,403.98	7,117.93	-447,691.40	-10,085.10	-3,343.13	-116,597.72
							0.00
2004 PIL Proxy				1,319,311.50			1,319,311.50
2004 Recoveries				-759,102.54	-416,724.67		-1,175,827.21
2004 Interest				29,810.58	11,413.33	561.50	41,785.41
2004 True ups					-119,927.00		-119,927.00
	0.00	0.00	0.00	590,019.54	-525,238.34	561.50	65,342.70
							0.00
2005 PIL Proxy					1,246,265.25	417,610.00	1,663,875.25
2005 Recoveries					-831,803.65	-518,171.10	-1,349,974.75
2005 Interest					22,740.23	9,749.95	32,490.18
2005 True ups						-59,864.00	-59,864.00
	0.00	0.00	0.00	0.00	437,201.83	-150,675.15	286,526.68
Totals							
PIL Proxy	370,962.00	1,226,571.00	1,597,533.00	1,319,311.50	1,246,265.25	417,610.00	6,178,252.75
Recoveries	0.00	-1,182,296.07	-1,603,524.07	-1,284,077.25	-1,248,528.32	-518,171.10	-5,836,596.81
Interest	0.00	39,538.60	29,636.62	27,193.67	23,248.69	6,698.81	126,316.39
True ups	0.00	14,679.00	-9,294.00	-41,221.00	-119,927.00	-59,864.00	-215,627.00
	370,962.00	98,492.53	14,351.55	21,206.92	-98,941.38	-153,726.29	252,345.33
Accumulated	370,962.00	469,454.53	483,806.08	505,013.00	406,071.62	252,345.33	
						Interst	126,316.39
						Principal	126,028.94

Interest Calculation	Outstanding Balance	Interest Income	Outstanding Principal	Total Recovered	
	A/c 4405				
Apr-09 Opening Balance	267,854.89	141,825.95	126,028.94	252,780.18	5,836,596.81
Interest @ 1.00	105.04	105.04	0.00		
Closing balance	267,959.93	141,930.99	126,028.94	252,780.18	5,836,596.81
May-09 Opening Balance	267,959.93	141,930.99	126,028.94	252,780.18	5,836,596.81
Interest @ 1.00	105.04	105.04	0.00		
Closing balance	268,064.96	142,036.02	126,028.94	252,780.18	5,836,596.81
Jun-09 Opening Balance	268,064.96	142,036.02	126,028.94	252,780.18	5,836,596.81
Interest @ 1.00	105.04	105.04	0.00		
Closing balance	268,170.00	142,141.06	126,028.94	252,780.18	5,836,596.81
Jul-09 Opening Balance	268,170.00	142,141.06	126,028.94	252,780.18	5,836,596.81
Interest @ 0.55%	57.77	57.77	0.00		
Closing balance	268,227.77	142,198.83	126,028.94	252,780.18	5,836,596.81
Aug-09 Opening Balance	268,227.77	142,198.83	126,028.94	252,780.18	5,836,596.81
Interest @ 0.55%	57.77	57.77	0.00		
Closing balance	268,285.54	142,256.60	126,028.94	252,780.18	5,836,596.81
Sep-09 Opening Balance	268,285.54	142,256.60	126,028.94	252,780.18	5,836,596.81
Interest @ 0.55%	57.77	57.77	0.00		
Closing balance	268,343.31	142,314.37	126,028.94	252,780.18	5,836,596.81
Oct-09 Opening Balance	268,343.31	142,314.37	126,028.94	252,780.18	5,836,596.81
Interest @ 0.55%	57.77	57.77	0.00		
Closing balance	268,401.08	142,372.14	126,028.94	252,780.18	5,836,596.81
Nov-09 Opening Balance	268,401.08	142,372.14	126,028.94	252,780.18	5,836,596.81
Interest @ 0.55%	57.77	57.77	0.00		
Closing balance	268,458.85	142,429.91	126,028.94	252,780.18	5,836,596.81
Dec-09 Opening Balance	268,458.85	142,429.91	126,028.94	252,780.18	5,836,596.81
Interest @ 0.55%	57.77	57.77	0.00		
Closing balance	268,516.62	142,487.68	126,028.94	252,780.18	5,836,596.81
2009 YTD Interest	1,433.74				
Jan-10 Opening Balance	268,516.62	142,487.68	126,028.94	252,780.18	5,836,596.81
Interest @ 0.55%	57.77	57.77	0.00		
Closing balance	268,574.38	142,545.44	126,028.94	252,780.18	5,836,596.81
Feb-10 Opening Balance	268,574.38	142,545.44	126,028.94	252,780.18	5,836,596.81
Interest @ 0.55%	57.77	57.77	0.00		
Closing balance	268,632.15	142,603.21	126,028.94	252,780.18	5,836,596.81
Mar-10 Opening Balance	268,632.15	142,603.21	126,028.94	252,780.18	5,836,596.81
Interest @ 0.55%	57.77	57.77	0.00		
Closing balance	268,689.92	142,660.98	126,028.94	252,780.18	5,836,596.81
Apr-10 Opening Balance	268,689.92	142,660.98	126,028.94	252,780.18	5,836,596.81
Interest @ 0.55%	57.77	57.77	0.00		
Closing balance	268,747.69	142,718.75	126,028.94	252,780.18	5,836,596.81
May-10 Opening Balance	268,747.69	142,718.75	126,028.94	252,780.18	5,836,596.81
Interest @ 0.55%	57.77	57.77	0.00		

Festival Hydro Inc  
2001 to 2005 PILS Carry Forward  
as at Dec 31/10

	2001	2002	2003	2004	2005	2006	Total
2001 PIL Proxy	370,962.00		370,962.00				741,924.00
2001 Recoveries		-274,462.34	-371,543.74	-121,904.11			-767,910.19
2001 True Ups		14,679.00					14,679.00
2001 Interest		20,871.89	7,815.36	782.89	-819.77	-269.51	28,380.86
	370,962.00	-238,911.45	7,233.62	-121,121.22	-819.77	-269.51	17,073.67
							0.00
2002 PIL Proxy		1,226,571.00	1,226,571.00				2,453,142.00
2002 Recoveries		-907,833.73	-1,231,980.33	-403,070.60			-2,542,884.66
2002 Interest		18,666.71	21,821.26	-3,399.80	-10,085.10	-3,343.13	23,659.94
2002 & 2003 True ups			-9,294.00	-41,221.00			-50,515.00
	0.00	337,403.98	7,117.93	-447,691.40	-10,085.10	-3,343.13	-116,597.72
							0.00
2004 PIL Proxy				1,319,311.50			1,319,311.50
2004 Recoveries				-759,102.54	-416,724.67		-1,175,827.21
2004 Interest				29,810.58	11,413.33	561.50	41,785.41
2004 True ups					-119,927.00		-119,927.00
	0.00	0.00	0.00	590,019.54	-525,238.34	561.50	65,342.70
							0.00
2005 PIL Proxy					1,246,265.25	417,610.00	1,663,875.25
2005 Recoveries					-831,803.65	-518,171.10	-1,349,974.75
2005 Interest					22,740.23	9,749.95	32,490.18
2005 True ups						-59,864.00	-59,864.00
	0.00	0.00	0.00	0.00	437,201.83	-150,675.15	286,526.68
Totals							
PIL Proxy	370,962.00	1,226,571.00	1,597,533.00	1,319,311.50	1,246,265.25	417,610.00	6,178,252.75
Recoveries	0.00	-1,182,296.07	-1,603,524.07	-1,284,077.25	-1,248,528.32	-518,171.10	-5,836,596.81
Interest	0.00	39,538.60	29,636.62	27,193.67	23,248.69	6,698.81	126,316.39
True ups	0.00	14,679.00	-9,294.00	-41,221.00	-119,927.00	-59,864.00	-215,627.00
	370,962.00	98,492.53	14,351.55	21,206.92	-98,941.38	-153,726.29	252,345.33
Accumulated	370,962.00	469,454.53	483,806.08	505,013.00	406,071.62	252,345.33	
						Interst	126,316.39
						Principal	126,028.94

Interest Calculation	Outstanding Balance	Interest Income	Outstanding Principal	Total Recovered
	A/c 4405			
Closing balance	268,805.46	142,776.52	126,028.94	252,780.18
Jun-10 Opening Balance	268,805.46	142,776.52	126,028.94	252,780.18
Interest @ 0.55%	57.77	57.77	0.00	5,836,596.81
Closing balance	268,863.23	142,834.29	126,028.94	252,780.18
Jul-10 Opening Balance	268,863.23	142,834.29	126,028.94	252,780.18
Interest @ 0.89%	93.48	93.48	0.00	5,836,596.81
Closing balance	268,956.71	142,927.77	126,028.94	252,780.18
Aug-10 Opening Balance	268,956.71	142,927.77	126,028.94	252,780.18
Interest @ 0.89%	93.48	93.48	0.00	5,836,596.81
Closing balance	269,050.20	143,021.26	126,028.94	252,780.18
Sep-10 Opening Balance	269,050.20	143,021.26	126,028.94	252,780.18
Interest @ 0.89%	93.48	93.48	0.00	5,836,596.81
Closing balance	269,143.68	143,114.74	126,028.94	252,780.18
Oct-10 Opening Balance	269,143.68	143,114.74	126,028.94	252,780.18
Interest @ 01.2	126.04	126.04	0.00	5,836,596.81
Closing balance	269,269.72	143,240.78	126,028.94	252,780.18
Nov-10 Opening Balance	269,269.72	143,240.78	126,028.94	252,780.18
Interest @ 01.2	126.04	126.04	0.00	5,836,596.81
Closing balance	269,395.76	143,366.82	126,028.94	252,780.18
Dec-10 Opening Balance	269,395.76	143,366.82	126,028.94	252,780.18
Interest @ 01.2	126.04	126.04	0.00	5,836,596.81
Closing balance	269,521.81	143,492.87	126,028.94	252,780.18
Dec 10 YTD Interst	1,005.19			